



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>



Rob^t. M. Kerr.

HG
4715
C68

11754

COMPENDIUM OF FINANCE:

CONTAINING AN ACCOUNT



OF THE

ORIGIN, PROGRESS, AND PRESENT STATE,

OF THE

Public Debts, Revenue, Expenditure,

NATIONAL BANKS AND CURRENCIES,

OF

FRANCE,
RUSSIA,
PRUSSIA,
THE NETHERLANDS,
AUSTRIA,
NAPLES,
SPAIN,
PORTUGAL,

DENMARK,
NORWAY,
HANOVER, AND
OTHER GERMAN STATES,
U. S. OF AMERICA,
BUENOS AYRES,
COLUMBIA, AND
CHILI.

AND

SHEWING THE NATURE OF THE DIFFERENT PUBLIC SECURITIES, WITH
THE MANNER OF MAKING INVESTMENTS THEREIN.

ALSO AN HISTORICAL SKETCH

OF THE

NATIONAL DEBT OF THE BRITISH EMPIRE.

AUTHENTICATED BY OFFICIAL DOCUMENTS.

By BERNARD COHEN.

LONDON:

PRINTED AND SOLD BY W. PHILLIPS, GEORGE-YARD, LOMBARD-STREET;
SOLD ALSO BY J. M. RICHARDSON AND JOHN LETTS, JUN. CORNHILL.

1822.

TO

ALEXANDER BARING, Esq. M.P.

WM. HALDIMAND, Esq. M.P.

N. M. ROTHSCHILD, Esq.

Consul General to His Majesty the Emperor of Austria ;

The following Pages are

respectfully Inscribed,

by their obedient humble Servant,

BERNARD COHEN.

PREFACE.

IT might have been wished that the task of presenting to public notice an account of the financial systems of the principal nations of the civilized world, had devolved to more able hands, particularly as the necessity for a work of this description became daily more apparent, in consequence of the increasing interest excited by the subject; and if it has been attempted to collect what information was within reach, in order to gratify public curiosity, it was not unaccompanied by frequent misgivings, arising from a consciousness of the difficulty of the undertaking; but judging from the nature of the materials at hand, that they might advantageously be arranged in a manner calculated to be of service, they have been prepared for press, upon finding several most respectable individuals, not only favourable to the enterprise, but even inclined to furnish more valuable information; and whilst the Editor cannot refrain from expressing his gratitude for the assistance thus afforded him, he fears it may possibly be conceived that all the advantage has not been taken of it, which the importance of the subject seems to require.

It has been endeavoured to make amends for the deficiency in the text in the following pages, by the highly useful and interesting official Documents, by which the particulars here presented are authenticated ; they furnish some of the most valuable accounts, with respect to the general situation and financial resources of the principal commercial nations ; and being thus collected into one volume, will admit of that easy reference, which is always desirable on points of so great importance. The Documents respecting France are ample, and might, perhaps, have been usefully curtailed, but as they are, they will be found to present a complete epitome of the general state of that kingdom at the time of the restoration of the Bourbon family, and will also afford materials for history subsequent to that period.

In as far as regards the more recent finance operations of the several States, the following narrative is founded upon the official reports of the respective governments, and which will be found amongst the Documents ; but where it has been necessary to trace their origin to more remote periods, recourse has been had to the works most in estimation on the subjects treated upon, comparing the accounts they contained with official information ; and as a work of the present description partakes more of the nature of a compilation than of an original composition, such extracts as seemed best calculated to convey the necessary information have been freely resorted to.

From the following works some very valuable statistical and other particulars, interspersed throughout the following pages, has been collected. *De l'Industrie Française*, par Chaptal; *Cours d'Economie Politique*, par H. Storch; *Bydragen tot de Huishouding van Staat*, in het Koningrijk der Nederlanden, by Van Hogendorp; Bourgoign's *Modern State of Spain*; Seybert's *Statistical Annals of the United States*, also Pitkin's *Statistical View of the Commerce of the United States*; whilst in the sketch of the *Finances of the British Empire*, the works of Sir John Sinclair, Hamilton, Grellier, Fairman, and Carey, have been chiefly consulted.

In a work of this description, it is impossible altogether to avoid typographical errors, particularly where so many figures occur; they have been as much as possible corrected in the list of errata, and the reader is requested immediately to make the necessary alterations with a pen.

INTRODUCTORY REMARKS.

THE finances of nations are so closely connected with the political events, an account of the succession of which, constitutes their general history, that it is impossible to possess a perfect knowledge of the latter, without being acquainted with the principles of their financial administration; and an enquiry into the system upon which it is conducted, is calculated to throw much light upon their advances in social and moral civilization, and to convey such information with respect to their general resources and power, as to render it scarcely possible to form correct notions of the history of a country without being also informed of the nature of its financial government.

But it is not to the mere state of the treasuries that we are to look; countries contending for independence, carrying on distant wars, or improving their internal prosperity, soon exhaust the ordinary and adventitious pecuniary resources at their command; yet the poorest nations have experienced no difficulty in the management of their affairs from the want of money, and the history of the last twenty years furnishes sufficient proofs, that the confidence of the people in their government forms the best safeguard to public credit.

Great Britain has accomplished more with a paper currency, than France, either when three-fourths of its territory was represented by assignats or mandates, or when Buonaparte, in the zenith of his glory, had caused the precious metals previously dispersed throughout Europe to flow towards him. Nor do the mines of Mexico and Peru now render the public funds of those countries more safe, than the wilds of America add to the security of those of the United States. It is to the energies of the people, to their public spirit, their domestic economy, in short, to the elements of commercial prosperity they contain, that we must look if we are desirous of forming an estimate of the nature of their public resources.

The limits we have prescribed to ourselves, and the nature of the task we have undertaken to perform, do not admit of any inquiry into the wealth of nations, or of the principles of political economy, nor can such important subjects be cursorily treated; yet in comparing the financial administration of different countries, or in giving an account of their public funds, by which is understood the sources whence they derive their supplies, it is impossible to refrain from some general observations connected with those inquiries, in as far as regards the influence of frequent pecuniary transactions between the people and the government, or between different nations.

It will be found, that in free and commercial countries, as England, America, or Holland before her subjugation, there exists such a system of reciprocal confidence between individuals and their governments, with more or less facilities of circulation, and internal communication; that they possess within themselves the means of meeting every extraordinary expenditure, and though they may not carry the state

through periods of difficulty and danger without having recourse to increase of taxation, occasioning high prices and inequality in the distribution of fortunes, general prosperity cannot be impaired—the nation collectively continuing in the possession of the same aggregate resources; and public creditors when they are personally interested in the welfare of the state, acquire a complete knowledge of the degree of confidence to which the securities of their own government are entitled, and the relative value of these will afford a tolerably correct criterion of the general prosperity of the nation.

With the exception of Great Britain, almost every nation whose finances we have attempted to elucidate in the following pages, has operated of late a complete modification of its ancient system, many have shaken off the burden of previously contracted debts, and all are introducing the funding system adopted in this country, by establishing what they call great books of their national debts, sinking funds, and their concomitant accessaries. Borrowing money upon the security of future contingencies, in order to provide for present wants, or to operate retrenchments by procuring funds upon more advantageous terms than those formerly contracted for, is also freely resorted to; but the policy of such operations involves considerations of the most important description, which it is not our intention to investigate, though we conceive that an inquiry into their general tendency forms part of the labours we have undertaken.

Looking therefore, in the first instance, to this country, which in point of wealth, commercial prosperity, and the magnitude of its national debt, ranks foremost amongst nations; a reference to our sketch of her financial history will throw more light upon the general system now universally adopted than any theoretical doctrine of political eco-

mony. England has carried her funding operations to the greatest perfection; but with all the success which has attended her measures we very much doubt whether, after the financial experience so painfully acquired, recourse to similar proceedings would be had were the finances of this country to be remodelled—money was borrowed against terminable or perpetual annuities, secured upon the proceeds of taxes levied upon the community at large; one hundred pounds raised in one year, supposing the rate of interest to be five per cent. is repaid at the end of twenty years, yet continues a permanent burden upon the nation, or the principal, if ever repaid, is often double the amount borrowed; whatever may therefore be the resources and prosperity of the state, it is evident that capitalist, by which is understood persons whose property consists of money, must gradually absorb a great proportion of the general wealth; hence every advance in the value of public securities is so much transferred from the pockets of the nation collectively, into those of the fund holders, since the aggregate property of the state experiences no augmentation; but in this country the amount of the taxes paid by the contributors is almost immediately diffused and circulated amongst the creditors of the state, whence it flows back again to the very persons from whom it was raised, thus re-producing itself; and though the productive portion of the nation is in the first instance obliged to forego some of its profits in the shape of taxes, it is returned them in the price paid for their labour; and the burden must ultimately fall upon the wealthy proprietors, who though they hold the prospective revenue of the country in mortgage as a security for their advances, are eventually the chief contributors to the state. It is this which occasions in this country the comparative high prices

of articles generally, in reference to what is experienced in others; whilst the accumulation of capital, individual industry, spirit of enterprise, and security of property, by creating a greater degree of competition throughout almost every branch of our political economy than is to be found elsewhere, counteract the evil tendency of the general system. These remarks, were we disposed to follow them up, might lead us to investigate in how far a partial remission of taxation, attended by a proportionate reduction of the national debt, might not materially alleviate the national burdens without infringing upon the rights, or affecting the interests of the public creditors; but such an inquiry would be foreign to our present purpose.

Frequent negotiations, by familiarising our minds with the mention of large sums, tend to alter our ideas with respect to the value they represent. In 1814 £46,000,000 was raised by loans in this country, independently of the usual vote of credit; that this sum was easily obtained is no greater proof of an increase of wealth than that the loan of £1,400,000 of 1714 was of the contracted means of the nation a hundred years before, must to every reflecting mind appear evident; how and in what manner then were these forty-six millions employed in the preceding year 1813? Were they engaged in commercial pursuits; vested in landed property; did they constitute part of the ships, or public edifices of the state? or is it pretended to be explained by considering that sum as forming one year's profit or saving on the part of the nation? We think few will be disposed to assert that so considerable an amount was withdrawn from commerce, land, ships, &c. for the sake of the trifling advantage held out to the contractors to the loan, or actually constituted part of the annual savings; these

forty-six millions formed in 1813 a constituent part of every branch of national property ; in like manner the sums raised by government in 1813 were mostly supplied out of the pre-existing national property, and this new debt secured upon what constituted the pledge of previously contracted debts, and by being ingrafted upon the same resources, only took off a certain proportion of the security of former debts : for instance, a fundholder who in 1813 held £2000 stock, desirous of taking a share of the new loan, sold his stock to purchase £2100 of the newly created debt, which of course the more favourable terms of the new loan enabled him to do ; he had thus encreased his capital nominally five per cent. but his security was necessarily so much impaired, or he was by the increase of taxation, required to provide for the additional burden incident to the new loan, obliged to pay his proportion, which most likely exceeded the imaginary profit he had contemplated. It is not necessary to explain how these operations are carried into effect so as to bear the appearance of prosperity, by producing a rise in the price of the funds immediately before or after new loans are brought out—the general operation is as we have described, and though we may have exemplified it in a particular case which may not in every instance be applicable to existing circumstances, we think we may venture to assert that every loan raised in this country was procured from that or similar sources : such being the secret of our funding system, we may easily appreciate what effect the adoption of a similar system in countries far behind us in commercial prosperity, enterprise, or public spirit, is likely to produce ; our system has been fostered and matured by our social compact, it has admirably answered the object we had in view, and has conformed to the institution the habits and the prejudices of the

nation, but it has entailed upon posterity burdens which it may possibly be out of their power to bear ; and while we are endeavouring to retrace our steps by reductions of interest, commutations of short annuities for long ones, or, in other words, relieving one part of the community at the expense of the other, foreign countries are preparing to tread the ground over which we have so miraculously escaped ; but unable to find that spirit of enterprise, we cannot call it capital, amongst themselves, they enter into engagements with their more wealthy neighbours, to procure real advances for what we have shewn only to have been fictitious ones with us.

The circumstances of the late war, have left all nations encumbered with a considerable increase of public debt, in the various forms of perpetual and terminable, redeemable and irredeemable annuities, unliquidated accounts, floating debts, and paper money, with current annual expenses exceeding their ordinary revenue ; and in many instances with diminished resources, so that they are not only called upon to discharge old debts, but are obliged to contract fresh ones for the purpose of making good former deficiencies, and the following pages will furnish the details of the measures adopted, and the progress hitherto made. Having described the effect of loans raised within a country, let us consider the operation of debts contracted abroad for the service of the state ; but in order to come to a clear understanding on the subject it is necessary, in the first place, to explain under what circumstances money borrowed will admit of a certain part being returned to the lender in the shape of interest.

Private individuals desirous of carrying on any undertaking, whether in commerce, manufacture, agriculture, or other pursuits, for which a certain amount of capital is

required, procure the means they want by foregoing part of the annual profits to be derived from their respective pursuits, which is paid as a premium, called interest, to induce the lender, not only to forego any advantage he might himself have derived from his capital, but also for the risk which he runs of being repaid ; at the same time if the undertakings on which his money has been employed prove successful the original sum laid out continues unimpaired, and the borrower may afford to pay a consideration for the use of that which his superior industry or skill has rendered more productive ; to such circumstances we must refer the origin of interest of money, on the subject of the rate of which and the principle itself, so much has been written and such different opinions continue to be entertained ; yet all transactions between man and man embrace the same principle—rent paid for a house is nothing but a modification of interest : the house is in this instance the capital, and the rent paid by the tenant nothing more than a premium for the use of this capital, as above described ; in short every dealing involves a certain portion of interest for the use of capital, paid by one party to the other, and implies a consideration given and received. We have, however, seen above that the interest paid by governments is of a very different description : the sums borrowed by them are employed either in the payment of deficiencies of revenue, and are of course not productive, or for actual services rendered to the state, that is to the nation, in the benefits derived from which every individual participates. In a well constituted state, therefore, every expense incurred should immediately be apportioned between individuals according to their respective abilities, and as the state requires services as well as money the nation should contribute to the general welfare in kind also.

What is the conscription on the continent more than a contribution of capital for which no interest is paid? France, it is said, contracted no debts during the war, but made foreign nations pay her expenses; yet in the first instance every man taken from his home and pursuits to fight the battles of his country, though he may have received a small daily stipend, levied in many instances upon the conquered nation, bestowed his labour, his life, that is his capital, to the service of the state; the principle, therefore, of borrowing money where it should be levied, is in the first instance defective, and making the community pay interest for the use of that which all are held to grant freely, is contrary to such principle; yet, as we have observed before, where both borrower and lender inhabit the same country, the evil has a tendency to remedy itself, society becomes more closely united, and dependent on each other, and union constitutes power. How different, however, is it when a nation has recourse to another for its supplies? in that case a certain portion of the profits must annually be carried out of the country, and the principal if ever repaid is so much capital exported, for which no consideration has been received; for let it not be imagined that the sums originally borrowed procure in the first instance an accession of productive capital to a state as it would to individuals, the funds thus raised, if at all distributed throughout the nation which has borrowed them, are employed in the payment of formerly contracted debts, and are not laid out in productive undertakings, and the benefits, if any, they procure, are uncertain and insignificant, whereas the interest paid is positively abstracted from the general resources of a nation which, though unable to pay its own debts, is expected to defray loans contracted abroad, but too

frequently raised for the purpose of paying interest already due upon former foreign loans; yet even in ordinary circumstances large pecuniary transactions cannot be carried on between nations as between individuals, the connection of the latter is founded upon fixed principles, that is upon the exchange of the produce of one country for that of another, money being only the medium in which their operations are balanced, and the value of which is, owing to the particular circumstances of the case, more or less affected. Negotiations for money from nation to nation are consequently contrary to the first principles of reciprocal interchange, are destructive of all regular commercial intercourse, and place the borrowing nation at the mercy of a few capitalists, who by the command they thus acquire over its resources are enabled even to turn the very payments of interest and redemption of money borrowed to their advantage, by their influence upon the rates of exchange, and other circumstances.

We are disposed therefore to think, that the issue of paper money on the part of government to defray its current expenses, is by far the least objectionable financial operation that can be resorted to, the fluctuations and depression in the value of which after all, constitutes no actual change in the aggregate wealth of a nation, and may even materially assist the development of its resources; but the system of making loans to withdraw it, destroys the effect of all the benefit it may have been the means of procuring, and the most efficacious method of reducing the paper money, is by imposing a tax payable in that medium, by which it may be gradually withdrawn, without occasioning any additional burdens to the State.

On the subject of the tendency of loans contracted in one country for the service of another, it follows, that, in an inverse ratio to the loss experienced by the borrowing State, must be the advantage to the lender. We may divide the capitalists of a country, considered in that point of view, into four classes—1st. those who employ their capital and expend their revenue at home; 2d. such who send their capital abroad, and spend their revenue in their own country; 3d. those who go themselves abroad, where they spend their income, leaving their property at home; and lastly, the individuals who emigrate altogether, taking their capital and income along with them.

As regards the first mentioned, viz. those who employ their capital and spend their revenue at home;—they are of service to the State in proportion to the productiveness of their pursuits; or if they follow none, and spend the exact amount of their revenue, the benefits they confer are of a negative kind, neither adding to, or taking from the general stock—whereas should their income exceed their expenditure, and the surplus not be productively employed, the amount added to their capital is so much withdrawn from what might in more industrious hands have constituted the source of future property.

The 2d class however, who employ their capital abroad, spending their revenue at home, are the most useful members of society; of this description are all foreign merchants, and those individuals who lend their money to foreign States. It must in the first place be evident, that they would not send their capital away, were it not for the sake of rendering it more productive; hence by the excess of its productiveness abroad, over what it would have yielded at home, will be the amount of benefit rendered to the State, and it can in no

instance be other than the surplus capital of a country that is sent away ; by surplus capital, we understand that portion which cannot be usefully employed at home ; nothing will therefore be withdrawn from the necessary stock of productive capital, and much may be added to the general property : in foreign mercantile pursuits the benefits may be reciprocal to both countries, the capital being productively employed by the exporter of the one and the importer of the other, the first in this instance being considered the lender, and the second the borrower ; whereas when the capital is advanced to foreign governments, its whole advantage will be derived by the exporter only, as governments do not employ the funds thus raised profitably, so that the increase of wealth experienced by the former will be equivalent to the loss arising to the latter.

Of the third class, are those usually denominated *absentees*, their capital may be usefully employed if lent to others, who by their industry or skill, render it productive, but the absentees themselves, in as far as they withdraw from the actual produce of a State, if not depriving it of an equal amount of the absolute constituents of wealth, take away a proportion from the general stock, without making society any compensation. This is a good deal the case with colonies, who send their produce to the mother country, and accounts for the increase of wealth in the United States of America, since they have become independent.

Respecting the fourth class, constituting the Emigrants, we have to observe that, the actually productive or useful members of society are seldom induced to leave home ; it is only the nonproductive individuals, or such who find no useful employment in their own country, who emigrate, the former on removing their property occasion for the time an

increased demand for such of the productions of the State in which the property they withdraw is vested, after which they do not any more constitute part of the community ; and were all the wealthy individuals to leave a country, their property would be transferred to those who remained, and no sensible diminution of wealth would be experienced. With regard to the policy of restraining mechanics from leaving home, we cannot but consider it questionable, particularly in the present improved state of intercourse.

We shall close these remarks with a few observations on the nature of money, as regards the alledged disadvantage of sending it abroad ; premising in the first instance that what is termed depreciation of currency and altered value of money, are more imaginary than real effects. Money, of whatever materials it be composed, is only of value at the moment of being exchanged, and is thus more of a conventional than intrinsic description, and it follows, that, as it is never parted with, unless for what may be deemed a valuable consideration, so the more or less difficulty in procuring it must constitute its conventional value. But as we have observed that this measure of value is only determined at the moment of transfer, it follows, that as the facility of transfer increases, so the estimation in which it is held will diminish, hence in a country only possessing a metallic currency, the transfer of which is every where more or less difficult, its value in exchange must be so much greater, and in commercial countries where the measure of value, or money, is more easily procured, that is, where property of every description is exchanged with more facility, the relative value of the medium of exchange, which in that case will be less called for, must diminish ; and upon that principle a paper currency, however well secured, may, as it

enables us to facilitate general transfers of property, be of less value without being depreciated, and we foresee that with the improvements daily making in commerce, the conventional value of the medium of exchange, divesting it from any reference to the materials of which it is composed, will still further diminish, and consequently its productive properties; occasioning a less demand and consequent fall in the rate of interest: the immense commerce carried on in London is, it is well known, transacted with a small amount of money, by the operations of the clearing house, and were there only to be one banking establishment instead of forty, it would not require any, to pay all the sums passing from one party to another; this leads us necessarily to the inference that money or capital is nothing but merchandize or property of some kind or other, which as it never is parted with but for what is deemed a valuable consideration, so the transmission of such capital, merchandize, or property, from one country to the other, must be followed by returns of some kind of foreign produce, and instead of occasioning any loss, are beneficial to the State, and that less loss is likely to arise from the exportation of the precious metals than of other merchandize, the value of the former being less subject to depreciation.

CONTENTS.

FRANCE.

	PAGE
Old Public Debt	1
Caisse d'Escompte, when established	2
Account of the Assignats and Mandats	2
Present National Debt	3
Sinking Fund	4
Reconnoissances de Liquidation	5—16
Increase of National Debt, and financial operations to which it gave rise	6
Taxation and Revenue	7
Annual Expenditure	9
Currency, terms of Loans, &c.	10
Of the Great Book of the National Debt	12
Account of division of the funded debt	13
Of sales and transfers of Inscriptions	14
Payment of Dividends	15
Shares of the Bank of France	17
Obligations de la Ville de Paris	17
Rentes of the city of Paris	18
Insurance Companies	19
Caisse des Depot and Consignations	21
Budget of revenue and expenditure for 1822 & 23, (Addenda)	257

DOCUMENTS.

	PAGE
Extract of Baron Louis's speech in 1814	1
Report to the King upon the finance system of Bonaparte	10
State of the Budgets of 1810, 11, & 12.	11
Ditto ditto 1813	12
Project of the Budget for 1814 . . . Receipts	14
Expenses.	22
1815.	23
Public Debt, &c.	25
Arrears of Debt, Ministry of Finance	27
Public treasury	28
Caisse de service	29

	PAGE
Project of Budget 1815—Sinking Fund	30
Recapitulation of arrears of debt.....	34
Arrears of the ministerial department .	35
Means of providing for ditto.....	37
Situation of the Budget of Receipts on the 1st of April, 1814...	43
Ditto ditto Expenses ditto	44
Budget of Receipts for 1815	45
Ditto Expenses	46
Summary view of the perpetual debt, as inscribed at different periods, with the causes of increase	47
Report of Count Corvetto on the finances for 1815 and 1816 ...	49
arrears of debt	56
Budgets of Receipts and Expenditure 1815	61
Budget of Receipts, 1816	62
Ditto Expenditure.....	63
Ditto of Receipts and Expenditure, 1817	64
Extract of Count Corvetto's Report 1st of July, 1817.....	65
Definitive Budget for 1818	67
Budget of 1819—Receipts	69
Expenditure	70
Budget of the year 1820	71
Speech of the Minister of Finance on presenting the estimates for 1821	74
Presentation of the Budget for ditto	76
Law for determining the same	78
General Budget for 1821	84
Ordinance respecting the sale of 12,514,220 fr. Rentes in 1821 .	88
Terms of the biddings for same	89
Substance of the Finance Minister's Speech on presenting the Budget for 1822	89
Ordinance for the reimbursement of the Reconnoissances	93
Sinking Fund (Count Mollien's speech respecting it)	96
Ditto, situation of, 31st December, 1821	97
Public Debt (extract of the Minister's report on the subject of) dated 31st October, 1821	97
Consolidated Debt (complete account of) for 1822	100
Bank of France (report of the Directors of the) 24 Jan. 1822 ..	102

RUSSIA.

	PAGE
Financial history difficult to trace	22
Origin and progress of her National Debt	23
Amount of Bank Notes in circulation from 1790 to 1810	24
Six per cent. stock	26
Loan of 40,000,000 Silver Roubles in 1820	27
National Debt (account of)	27
Resources and Revenue	29
Banks and circulating medium	31
Finance Report May, 1822, (extract of) Addenda	257
Loan 1822 (terms of)	—

CONTENTS.

XXV

DOCUMENTS.

	PAGE.
Regulations of the Committee of the Sinking fund, Doc.	107
Debts in general, guarantee of ditto	107
Debts for time	108
Perpetual debts (regulations respecting holders of)	108
of the Great Book	110
of transfers	111
payments of interests and annuities	113
diminution of the paper currency	114
Administration of the Committee of the Sinking fund, direction, sections, appointment of officers, duties of the board of directors, &c.	114
Forms of declaration for the inscription of capitals in the Great Book	118
for the transfers of ditto	118
Forms of various other descriptions respecting ditto	119
Ukase of the Senate for opening a subscription to diminish the Bank notes 10th May, 1817.	121
Ukase of the Senate respecting the second series of the Russian loan, June 16, 1818	122
Ukase of the Senate on the subject of 40,000,000 roubles, Aug. 1820	123
Form of a certificate of inscription	124
Annual finance report of Count Gourieff, 1820.	125
Ditto ditto 1821	128

PRUSSIA.

Historical sketch of its finances	33
Amount of National Debt	35
Loan of 1818 (particulars of)	ibid.
Loan of 1820	37
Sinking fund	ibid.
Management of public debt, payment of dividends, loans, &c.	38
Revenues and expenditure	40
Bank and paper currency	41
Conclusion	42
Loan of 1822	Addenda

DOCUMENTS.

Loan of 17th January, 1820, respecting the management, payment, and appropriation of the debt	133
Statement of the public debt	137
Enactment for the credit establishment of Churmark	139
Order in council of 17th January, 1820, respecting the finances respecting the comptroller general	142
respecting the Maritime Society	143
sale price of salt	144
Statement of income and expenditure of 1821	145

d

HOLLAND AND THE NETHERLANDS.

	PAGE.
Old public debt	43
Reduction of same, and establishment of a Great Book	44
Re-establishment of old debt (in what manner)	45
Amount of new debt created	ibid.
Increase of taxation in 1815	46
Bonds of the Syndicat (account of)	46-49
Sinking fund	47
Floating and unfunded debts	49
Resources and revenues	50
Public welfare	53
Expenditure	54
Amount of management, and payment of dividends, &c.	56
Bank of the Netherlands	58

DOCUMENTS.

Law of 14 May, 1814, for re-establishing the National debt, &c.	146
— for encreasing the estimates for 1815	151
— of 9 Feb. 1818, for regulating the finances of the kingdom	154
old funded debt of southern provinces	155
arrears of debt of the Netherlands	ibid.
establishment of Sinking fund	156
means of procuring funds	157
Law of 31st December, 1819, for supplying the Treasury	159
— 28th February, respecting the fifth drawing of the de- ferred debt	160
— 24th December, 1820, for providing the difference be- tween the increase and expenditure	ibid.
Net revenue of the kingdom for 1817	162
Law for regulating the income and expenditure for 1819	163
Budget of expenditure for ten years	164
Statement of the apportionment of the taxes on land, persons, and moveables in the different provinces	165

AUSTRIA.

Finances connected with paper currency	58
Quantity of bank notes in circulation February, 1811	60
Ditto at the end of the war	61
Financial measures of 1817	ibid.
Establishment of the bank	61-63-71
Operation of the <i>Einlosungs Casse</i>	62
Sinking fund	64-66-74-81
State of the Austrian debt in September, 1819	65
Circulating medium (amount of)	67
Finances compared in 1815 and 1817	69
Von Gentz on the Austrian finances	74
Total amount of debt in 1821	81
Lottery loan of 1820	82

CONTENTS.

xxvii

	PAGE.
Debt due to England	82
Expenditure and resources	82
Reduction of Bank interest (Addenda)	257

NAPLES.

Financial history how furnished	83
Great book and consolidated debt	84
Financial administration	85
Ways and means	86
Loans	86-87
Amount of debt 1821	87
Sinking fund	87
Appropriation of ditto	89
Revenue and expenditure	90-91
Management of the public debt	91
Consolidated fund	92

DOCUMENTS.

Finance Minister's report of 1st July, 1820	202
Division of debt	202
Consolidated debt	203
Debt to be consolidated	206
Creditors of the Crown	207
of deposits in the Sinking fund	208
Debt of <i>Comptabilité</i>	209
Accounts of arrears	210
Litigated accounts	212
Discount fund	214
Caisse de Service	215
Management of perpetual debt	217
Great Book	222
Budget of 1821	227
Sinking fund (enactment of 27th Nov. 1821, for regulating it)	228

SPAIN.

Old debts called <i>Juros</i>	93
<i>Gremios and vales</i> , origin of	94
Sale of lands called <i>memorias & cofradías</i>	97
Establishment of a Bank by Cabarrus	98
Deprived by Lerena of privileges	99
Vales, total amount issued	101
remaining in circulation in 1822	102
Finance measures since the fall of the Minister Garay	102
Decree of the Cortes for regulating the National Debt	104
Assumed amount of the Debt in 1820	105
Duties of the Cortes as regards finances	106

	PAGE
Resources and Revenue compared	107
Annual expenditure for 1821, 22, and 23	108
National Debt acknowledged to March, 1822	110
Present Revenue and Resources	111
House Tax	112
Vacant Encomiendas, value of	112
Commandership of ditto, ditto	112
Inquisition, value of its estates	113
Ecclesiastical benefices	113
Produce of the Lead and Quicksilver Mines	113
National Estates to extinguish the Debt	114
General national property	114
Proceeds of the sales thereof hitherto made	117
Nature of the vouchers of the Public Debt, payment of the Dividends, &c.	117
Loans	120
Terms of the Loan of 1821	120
Issue of Annuities decreed by the Cortes, June, 1822	125
King's speech on closing the session of 1822	125
Addenda	257

DOCUMENTS.

Speech of Count Torrens to the Cortes, Sept. 1820	166
Budget of the Financial year commencing 1st July, 1820	170
Decree of 29th November, 1820	171
Statements attached thereto, debt with interest, ...	175
without ditto	175
Appropriations for paying ditto	175
Ditto for extinguishing the debt	176
Royal ordinance for determining the sale price of Tobacco....	177
Estimate of the financial year, July 1821 to July 1822	177
Circular on the subject of the loan of 1821	182
Finance Minister's Report to the Cortes, March 1822	185
Direct taxes	185
Indirect ditto and monopolies	187
Establishment of the Mint	189
Estimates compared with actual receipts ..	192
Loans	196
Estimates of expenditure 1822-3.....	198
Contributions necessary to meet them	200

PORTUGAL.

Income and Expenditure	127
Paper Money	128

SMALL GERMAN STATES.

Their general Administration	129
BAVARIA	131

CONTENTS.

xxix

	PAGE
WIRTEMBERG	132
HESSE CASSEL	132
BADEN	136
SAXONY	138
HANOVER	140
SAXE WEIMAR	140
OLDENBURG	140
HANSE TOWNS	140

DENMARK.

Connection of Public Debt with paper circulation	141
Bank of Copenhagen	142
Produce of the Land tax	145
Loan of 1822—Copy of the Bonds	ibid

NORWAY.

Account of Loans	149
Bank	151

UNITED STATES OF AMERICA.

Finances in 1783	152
Progress of the debt to 1790	152—156
Funding system	156
Appropriation for paying the interest	ibid
Sinking fund when established	157
how administered	159
Public debt in 1800	160
1803	165
Purchase of Louisiana	ibid
Amount of the Public debt 1 January 1812	167
Treasury notes	171
Amount of the Public debt 1 January, 1818	173
1 October, 1821	175
Account of Stock paid off	ibid
Sinking fund, new modification of	176
compared with that of Great Britain	181
Bank of the United States	ibid
Revenue, expenditure and resources	182
National domains	183

DOCUMENTS.

	PAGE
Annual Treasury Report, December 1819.....	231
President's Message, November 1820.....	236
Letter from the Secretary of the Treasury on the subject of the Public Debt and Sinking Fund, January 1820	237

CONTENTS.

DOCUMENTS.

PAGE

Statement of balances in the treasury, 1 January, 1820	238
Statement of the amount of Public Debt redeemable in 1820, 1821, 1822, 1823, 1824; &c.	238
Report of the Committee of Ways and Means, February 1821.	240
Second ditto ditto	246
President's Message to Congress, December 1821	249
Annual Treasury report..... ditto..... ditto	251
Bank of the United States, Report upon the, July 1821	255

SOUTH AMERICAN STATES.

PAGE

Buenos Ayres. Receipts and expenditure 1817	185
Mines	189
Chili, territory. Resources, &c.	190
Receipts of the treasury	192
Particulars of loan, 1822	ibid
Colombia, territory, &c.	195
Public debt and finances	196
Loans	ibid

BRITISH EMPIRE.

Origin of the National debt	197
Bank of England and how established	198
Amount of the National debt in 1697	ibid
Amount of money borrowed and repaid from 1688 to 1702	199
South Sea Company, when established	ibid
Legal rate of interest reduced	ibid
Aggregate fund	ibid
National debt in 1716	200
Sinking fund in 1716	ibid
South Sea fund	ibid
Royal Exchange and London Assurance Companies	201
National debt in 1727	ibid
“ “ December, 1739	202
Sums borrowed and paid off from 1740 to 1748	203
Reduction of interest on the Public debt	ibid
Consolidation of the different public stocks	204
Amount of National debt in 1757	205
“ “ in 1763	208
Alteration in the days of paying the Dividends on the 4 per cents.	209
Stock redeemed	211
Origin of the 5 per cent. Navys	213
New Sinking fund, when established	ibid
Amount of the National debt in 1786	215
Alteration in the days of paying the interest on terminable annuities	217
Consolidated fund, when established	ibid
Appropriation of the unclaimed dividends	218

CONTENTS.

xxxi

	PAGE
One per cent. on all Loans added to Sinking fund . . .	218
Amount of the National debt in 1793 . . .	219
Sums borrowed and stock created from 1793 to 1799 . . .	221
Loan for the Emperor of Germany . . .	222
Suspension of Cash payments . . .	223
Assessed taxes tripled . . .	ibid
Income tax established . . .	224
Account of the National debt in 1802 . . .	225
Money borrowed and Stock created from 1803 to 1815 . . .	227
Amount of the National debt in 1815 . . .	228
Lord Henry Petty's plan detailed . . .	231
Redemption of Land tax . . .	232
History of the financial operations from 1802 to 1815 . . .	233
from 1815 to 1822 . . .	235
Appropriation of part of the revenue of the Sinking fund, with other measures connected therewith in 1819 . . .	237
Loans made from the Sinking fund in 1819, 1820 and 1821 . . .	239
Reduction of interest on the 5 per Cents. in 1822 . . .	240
Account of 5 per cent. Navys to July 1822 . . .	242
5 per cent. 1797 and 1802 . . .	243
4 per cent. Consols . . .	ibid
Bank Annuities . . .	244
3 per cent. Consols . . .	ibid
3½ per cent. ditto . . .	ibid
3 per cent. Reduced . . .	245
Additional particulars respecting the Sinking fund . . .	ibid
Abstract summary of the history of the National debt . . .	247
Account of the Bank of England from the period of its first establishment to the present day . . .	250

DOCUMENTS.

	PAGE
Budget of receipts and expenditure to January 1822.....	200
Account of the public funded debt 5 January 1822.....	201
Account of the progress made in the redemption of the public funded debt of the United Kingdom on the 5th January, 1822	266
Account of the territorial debts of the East India Company ...	270

APPENDIX.—Instructions for the purchase, &c. of Foreign Stock in London, Paris, Amsterdam, and Francfort . . .	273
---	-----

ERRATA.

- Page 6, line 10, *for article, read volume.*
- 8, — 19, — 193,028,000, *read* 193,025,000.
- —, — 21, — 177,520,000, — 177,525,000.
- 10, — 7, 3d column, *for* 252,817,489, *read* 263,817,489.
- 14, — 14 from the bottom, *for* 22 to 24 millions, *read* 22 to 24 hundred millions.
- 13, — 2 from the bottom, *for* 109,071,559, *read* 109,074,559.
- 14, ditto, ditto ditto ditto.
- 18, — 14, *for* bearers *read* bearer.
- 19, — 8, — Coupous *read* Coupons.
- 25, — 14 from the bottom, *for* between four and five millions, *read* between one and two millions.
- 27, last line, *for* 14,547, *read* 14,857.
- 29, line 10, *for* 39,460,370, *read* 639,460,270.
- —, — 4 of the note, *for* on, *read* since.
- 35, — 2, *for* 3,324,290 23 8, *read* 3,234,890 23 8.
- —, — 18, — £1,145,000, *read* £1,450,000.
- 38, — 8 from the bottom, *for* confined, *read* confided.
- 50, — 16, *for* fruitful, *read* valuable.
- 66, — 9 from the bottom, *for* fnud, *read* fund.
- 69, — 3, *for* gpadual, *read* gradual.
- 72, — 17, — bullion, — bullion.
- 73, — 16 from the bottom, *for* 14,397 30, *read* 14,394 30.
- 77, — 20, *for* 128,778,330, *read* 128,778,300.
- 88, — 9, *for* creditor, *read* debtor.
- 92, — 9, — funds *read* fund.
- 99, last line, after 1791, insert *they*.
- 101, — 4, *for* 1782, *read* 1784.
- 106, — 13, *for* than the old forms, *read* than whereas the old forms.
- —, — 19, *for* will be found, *read* both.
- 115, — 2, *for* hundreth, *read* hundredth.
- 120, — 15, — obligation, — obligations.
- 124, — 16, — term *read* terms.
- 128, — 2 from the bottom, *for* to keep when, *read* to keep them when.
- 131, — 8, *for* carried on, *read* are carried on.
- 132, — 8, — 94,157 35½, *read* 94,157 55½.
- —, — 18, — but, *read* which.
- 136, — 7 from the bottom, *for* sta, *read* its.
- 150, — 14, *for* Handelsgeriht, *read* Handelsgericht.
- 161, — 24, — 1820, *read* 1800.
- 169, — 2 from the bottom, *for* 8,498,586, *read* 8,498,581.
- 174, — 6, *for* 97,878,991, *read* 97,878,990.
- 202, — 11 from the bottom, *for* £217,577 the, *read* of £217,577.
- 205, — 2, note (c) *for* 1746, *read* 1742.
- 228, — 5, *for* 12,600,000, *read* 16,200,000.
- —, — 24, — 415,348,200, — 418,938,200.
- —, — 26, — 420,905,400, — 424,495,400.

FRANCE.

Old Public Debt.

THE present debt of France amounting for the year 1822 to the sum of francs 228,864,560 per annum, inclusive of the dotation of the Sinking Fund, and the interest on the Reconnoissances de Liquidation, as will be more fully explained in the sequel, is necessarily connected with the Old Debt of that country.

At the death of Louis the 14th, the public debt of France amounted to 3111 millions of livres, about 124 millions sterling, at an annual charge of 86 millions of livres, with only an excess of revenue of nine millions of livres, over the ordinary annual peace expenditure, for its discharge. This debt was arbitrarily reduced under the Regent to 2000 millions of livres, and the interest to 80 millions, but no provision being made for the payment of this reduced debt, the government was equally unable to meet it. At this period a Scotchman, named Law, gained the confidence of the Regent, and obtained in 1716 a charter for the establishment of a Bank, through the medium of which he hoped to relieve the pecuniary difficulties of the French Government. This Bank was authorised to issue its own notes, exchangeable on demand, against specie of the same weight and fineness as the money then in circulation, which having, since 1689 experienced frequent depreciations, entitled this new establishment to public confidence; in the enjoyment of which it continued as long as its engagements on this head were conformed with; and in January, 1719, it was taken under

the special patronage of the King, and instituted a Royal Bank; at this time its issues amounted to 59 millions of livres, but some changes in the stipulations with regard to the value of the currency in which the notes were in future to be paid, added to various operations tending to occasion an extension of issues, amongst which was the plan of discharging the public debt through its medium, led to the gradual discredit of this Bank. From the 1st of January, 1719, to the 20th of May, 1720, no less than 2235 millions of livres (about 90 millions sterling) were issued for the purpose of nominally discharging the existing amount of debt.

In the year 1776 the *Caisse d'Escompte* was established for discounting commercial bills, and this institution continued with fluctuating success, owing to occasional over-issues and speculations, which often required the interference of government to restrain, till 1787, when it advanced 70 millions of livres to the Treasury, although the finances of the kingdom were so exhausted as to render it necessary for government to pay its debts with bills at two years, bearing interest: this advance was injurious to the establishment, and its notes fell to 6 per cent. discount.

Nevertheless, the *Caisse d'Escompte* made a further advance in 1788 of 25 millions to the government, and at the end of 1789 they amounted to 170 millions; at which time Necker exerted himself to procure from the National Assembly a reorganization of this institution upon a more solid basis, instead of which however recourse was had to the confiscation of the property of the clergy and of the emigrants, upon the security of which the celebrated assignats were issued, and with those the debt due to the *Caisse d'Escompte* was discharged, and that establishment of course put an end to.

In April, 1790, when the assignats were first circulated, their amount was stipulated at 400 millions of francs (between 15 and 16 millions sterling); in September following their issue was extended to 1200 millions; in January, 1793, they amounted to 3626 millions; in September, 1794, to 8817½

millions; in 1795, 9699½ millions; and lastly, in September, 1796, to 45,579 millions of francs, a sum far too enormous to be expressed even in British money, were not all degrees of comparison lost in the extent of the amount. At the period of their ceasing to constitute part of the currency of France, an assignat of 100 francs (about £4) was exchanged for 3½ sous (about 1¾d. sterling) in specie.

The assignats accumulated in the hands of the land proprietors, manufacturers, and others, in consequence of the nominal high prices of commodities, were reduced in amount by a forced loan of 600 millions francs in specie, raised from the wealthy classes of the community, reimbursable in ten years, by one-tenth being annually taken in payment of taxes; in this loan 100 francs of assignats were subscribed as equivalent to 1 franc in specie; this occasioned a reduction of 14,000 millions of assignats. The remainder were reduced to one-thirtieth part of their nominal value, and exchangeable at that rate for mandats, another description of paper money.

The issue of the mandats amounted to 2400 millions francs; they were secured upon a similar amount of national domains, valued at a certain number of years purchase, and every holder was allowed to purchase landed property equivalent in amount to the value of his mandats. All the national domains pledged for this new issue, were in consequence engaged even before they were in circulation. Nevertheless, on the day of their being issued, they were not worth more than 30 per cent. and fell in the course of a few months to 1½ per cent. The circulation of these notes commenced on the 9th of June, 1796, and terminated on the 7th of September following. It was partly absorbed by the proceeds of the sale of national domains, and partly by contributions.

Present National Debt.

The old National Debt arising from the above causes, and the constituted debt on the *hôtel de ville*, *pays d'états*,

clergy, &c. amounted on the 1st August, 1793, to 75,810,000 francs per annum, which, with the additions since made, accrued to 174,716,000 (Doc. p. 47), was reduced in 1798 to one-third, and consolidated into five per cent. annuities; hence the appellation of *Tiers consolidés* (consolidated third) and amounted, after sundry deductions, &c. to

	francs 46,302,000 per ann.
To which were added from 1798 to 1814	.. 17,004,000
Making the total amount of the funded debt on the	
1st of April, 1814, (D. p. 48)	francs 63,306,000 per ann.

In round numbers, or as is more particularly stated	
at p. 100 of the Documents	.. 63,172,007

To this amount was added at various dates, between	
the 1st of April, 1814, and the present day,	
as fully detailed at page 100	.. 114,877,205

Total	francs 178,049,212
------------	--------------------

Which was increased by sundry additions, &c. for	
which also see page 100, with	.. 315,348

Making the amount of rentes for 1822, per annum*	.. 178,364,560
--	----------------

Independently of which the annual charge of the	
Sinking Fund amounts to	.. 40,000,000

And the interest on the Reconnoissances de Liqui-	
dation remaining unfunded, as will be further	
explained, to	.. 10,500,000

Being together for the year 1822, a charge of	.. 228,864,560
--	----------------

Or about £9,000,000 sterling.

Sinking Fund.

The old Sinking Fund, as established before the restoration of the Bourbons, (for account of which see D. p. 30), has been abolished; and a new one was created by an enactment of the 28th of April, 1816, the object of which was the extinction of the 5 per cent. consolidated annuities by purchase: 40,000,000 of francs (about £1,600,000.) is annually appropriated out of the revenue of the State to this fund, and 150,000 hectares of national forests were besides placed

* It is customary to state the French and some other foreign public debts, by mentioning the amount of the annuities (*rentes*) instead of the capital sum as in this country.

at the disposal of the Commissioners, by an enactment of the 25th of March, 1817; with authority to sell them for the benefit of the fund in six years, commencing in 1818, and the interest of the redeemed stock is laid out in the purchase of fresh annuities. The total receipts on account of the Sinking Fund, from the time of its being first instituted to the 31st of December, 1821, amounted to 335,114,484 francs, 76 centimes, and the annuities purchased to that period were 23,047,644, (about £900,000 per annum); the sum to be expended this year was estimated at fr. 83,000,000, (being £3,300,000); of the 150,000 hectares of woods above mentioned, 98,299 were sold in the last four years, valued at 59,582,591 francs, but producing 74,589,925 francs. (about £2,800,000.) D. p. 96.

Reconnoissances de Liquidation.

At the conclusion of the peace, the French finances were in arrear; the interest on the public debt had not been regularly paid (see Documents, pages 26 & 27), and though provision was immediately made for the discharge of the dividends over-due, the other debts of the State were liquidated by *Reconnoissances de Liquidation* (acknowledgements of liquidation) bearing 5 per cent. interest, and only reimbursable in five years, commencing in 1821. The amount issued on the 1st of October, 1821, was 297,756,608 francs; the funds intended for their reimbursement were fixed at 300,000,000 francs. The first fifth was paid off in July (see D. p. 98), another fifth falls due this year; and the interest on the 210,000,000 remaining is taken at 10,500,000 francs.

The above three items form what is termed the constituted debt of France, and amount, as we have seen, to francs 228,864,560 for this year; to discharge which the proceeds of registering deeds, contracts, and bargains of every description, which are subjected to a duty, called *droit d'enregistrement*, the stamp duties, national domains, customs, and salt duties, are specially affected, (see section 4, art. 32 & 33, Documents, p. 83.) The net proceeds of which in 1820

were 246,386,700 francs (D. p. 71); the gross receipts arising from them in 1822, are estimated in the Budget of this year at 800,665,000 francs.

*Increase of the National Debt, and Financial operations
to which it gave rise.*

The French debt has experienced such a rapid increase within a short period, as to render it necessary to trace the principal circumstances through which it arrived at its present magnitude; but as the ample details in the official Documents at the end of this article furnish every particular on this head, it will not be necessary here to enlarge upon the subject.

The deficiency in the finances on the return of Louis the 18th, was estimated by the French Minister at francs 1,368,156,500 (page 37), but the actual amount unprovided for is taken at 759,165,000 francs, and subsequently reduced (D. p. 66).

	To.....francs	727,603,200
The payment for the army of occupation in 1815, was.....	..	200,000,000
War contribution, paid by instalments.....	..	700,000,000
Foreign claims, as per treaty, of 20 November, 1815.....	..	6,000,000
Army of occupation from December, 1815, to Dec. 1816..	..	138,350,000
Ditto.....1817,.....	..	160,000,000
Foreign claims	..	6,000,000
Army of occupation in 1818	..	166,666,667
English claims (convention 1st September, 1817)	..	2,200,000

Making an additional charge of francs 2,106,819,857

or about £84,000,000; independently of 1,500,000 francs rentes inscribed for the king's debts abroad; the whole of which was paid with money borrowed at the rate of from 8 to 10 per cent. per annum, and with inscription of rentes sanctioned by votes of credit, occasioning the increase of debt above alluded to. The terms on which several of the negotiations of annuities were contracted, will be found at pages 67, 92 & 98.

Taxation and Revenue.

For the payment of the additional charge of the public debt no new taxes have been imposed, but on the contrary a remission of 33,439,142 : 38 fr. was granted last year on the land tax (art. 14, 2d sect. law 31 July, 1821, D. p. 80). The additional expense is provided for by the retrenchments and diminutions of the expenditure.

The LAND TAX, or tax on Domains in 1821, produced fr. 312,843,914, which, taking the average produce of the income of agriculture at 1,500,000,000 fr. annually (about £60,000,000) was equivalent to about 20 per cent. of its net returns, the late alterations will produce some diminution of this burthen.

The TAX ON PERSONS AND MOVEABLES amounts to 40,741,538 fr. and falls pretty equally upon capital, industry, trade, and agriculture, being assessed in the provinces in the proportion of one-third on the population, and two-thirds on the produce of the *Patentes* trading licence duties; and in the towns, on the house rents; of this tax 24 millions is calculated to fall upon agriculture, making an addition of $1\frac{1}{2}$ per cent. to the 20 above mentioned. The city of Paris alone, pays one-fourth part of the tax on moveables; the aggregate amount of house rent there is about one tenth part of the rents paid for houses throughout France. The tax on persons is assessed upon the income.

The *Droits de Patentes* a tax all persons engaged in trade, manufacture, &c. are annually subject to, being a licence to carry on their respective pursuits according to particular classifications, is estimated to produce about 20,700,000 fr. if to this be added the proportions borne by the same individuals in the tax on persons and moveables, estimated at 10,000,000 more, the total burden of direct taxation on trade and manufactures will be 30,700,000 (or about £1,200,000). The net produce of these branches of the national wealth has been estimated at 800,000,000 fr. (about £32,000,000); they

therefore only pay 4 per cent. on their profits, whereas agriculture is subject to a taxation of 21 per cent. It is imagined that duties on consumption would yield three times as much as the *Droits de Patentes*, which are mostly assessed upon a very superficial estimate of the resources of the contributors. The total amount of direct taxes in 1821, was estimated (D. p. 87) at 327,000,000 fr. and cost 24,233,905 fr. collecting, or about $7\frac{1}{4}$ per cent. Before the revolution they yielded 209,000,000 fr. at an expense of 12,600,000 fr. for collecting about 6 per cent.

The *Droits d'engrèstement, des Timbres & Domaines*, a duty imposed upon all acts, deeds, contracts, legacies, &c. including stamps, produced 157,800,000 fr. (D. p. 87) and cost 11,634,700 collecting, (D. p. 86) also about 7 per cent. Before the revolution its proceeds did not exceed 41 millions, though at a higher rate of duty; this is ascribed to the more equal distribution and more transferrable nature of property at the present day.

The INDIRECT TAXES for 1821 were estimated at 193,028,000 fr. deducting 15,500,000, for the purchase of tobacco, there remain 177,520,000; collected at an expense of about 20 per cent. the chief receipts arise from the produce of the vineyards, amounting to 80,000,000 fr. It has been calculated that the duty of 15 per cent. on the consumption of wines, estimated at six millions of hectolitres,

yields	52,000,000 fr.
that on the transit of 6 millions of hectolitres. .	1,000,000
and the duty on housing a similar quantity of wines and brandies, amounts to	15,700,000
together	68,700,000

these 18 millions of hectolitres are worth at an average of 20 fr. 360,000,000 fr. and thus pay about 22 per cent. ; the duty falls very unequally, as the consumers pay about 44 per cent. which is chiefly collected from the lower classes.

The IMPORT DUTIES yield 63,000,000 fr. and including the dues paid by the shipping, amount to 65,300,000.

In short, it is estimated by Mr. Ganilh, that of the 800,000,000 fr. collected annually in France, there is received,

from landed property & territorial income	288,000,000 fr. about	£11,500,000
.... fixed capital	154,000,000	 6,000,000
.... trade, manufacture, & general industry	56,000,000	 2,240,000
.... consumption	302,116,300	 12,000,000
together..	800,116,300	 31,740,000

from whence it follows that in France,

$\frac{2}{11}$	of the amount of taxation falls on landed property and fixed capital.
$\frac{1}{11}$	 trade, manufactures, &c.
$\frac{6}{11}$	 on consumption.

Before the Revolution the revenue amounted to 585,000,000 francs.

Expenditure.

The following is a comparative view of the expenditure of the French Government, during periods of three years, the first of which commences four years after the peace of Amiens, a period of general warfare, and the second four years after the last peace of Paris, when the whole of Europe was in the enjoyment of tranquillity.

	<i>First Period.</i>		
	1806. <i>francs.</i>	1807. <i>francs.</i>	1808. <i>francs.</i>
Total expenses, exclusive of charges of Collecting the Revenue.	902,000,000	751,000,000	730,000,000
Whereof Public Debt.....	.....	.....	58,000,000
Life Annuities	129,000,000	106,000,000	16,000,000
Pensions .....	.....	.....	32,000,000
	129,000,000	106,000,000	106,000,000
Army	428,000,000	136,000,000	335,000,000
Navy	148,000,000	114,000,000	110,000,000

FRANCE:

Second Period.

	1819. francs.	1820. francs.	1821. francs.
Total expenses, exclusive of charges of Collecting the Revenue.	735,846,123	737,412,200	750,823,878
Whereof Public Debt	187,997,123	188,341,200	189,052,764
Life Annuities	11,800,000	11,400,000	10,800,000
Pensions	66,558,000	66,352,650	63,964,725
	266,355,123	266,093,850	252,817,489
Army	184,750,000	180,024,350	174,736,600
Navy	45,200,000	50,000,000	52,980,000

From which it appears that the increased expenditure, occasioned by the augmentation of the Public Debt, and the appropriations for the Sinking Fund, is paid with reductions which have taken place in the expenses of the War and Navy Departments.

Financial history of France during late years, as connected with the Bank and the Loans recently negotiated.

The amount of metallic currency in France is estimated at from 22 to 24 millions of francs (about 90 millions sterling.) The Bank, whose capital was originally 30 millions, which was subsequently increased to 90 millions (about £3,500,000) circulates about 100 millions francs (4,000,000 sterling). The situation of the country does not favour large financial government operations. Trade and industry have not yet arrived at that degree of perfection, to produce the accumulation of great capital amongst individuals; besides which the government had long since discontinued the system of borrowing; when, therefore, the exigencies of the state required extraordinary resources, it was necessary to seek for assistance amongst foreigners: previous to the reverses of Buonaparte, the 5 per cent. had risen to 80; at the end of 1815 they fell to about 58; a loan of six millions of rentes

in April, 1816, brought them down still lower; and in December of that year they reached 55.

On the 18th of February a contract was concluded with the houses of Baring and Hope, for the sale of 9,999,999 fr. rentes, at the price of 55, payable at 12 monthly instalments from the 1st of March, with dividends from the 22d, and a commission of $2\frac{1}{2}$ per cent. on the money advanced. On the 11th of March following, a second agreement was entered into with the same parties, for the further sale of 8,630,689 francs rentes, and the like commission; and in consequence of a third treaty, these houses, in conjunction with two French houses, agreed for another amount of 9 millions of rentes, at 64 per cent. and $2\frac{1}{2}$ per cent. commission; the money to be paid in seven months; by these various loans 315,199,991 francs 40 centimes were obtained, netting to government 301,844,200 fr. 40 c.; fr. 13,355,791 being paid in commissions.

The foregoing short review of the origin, progress, and present amount of the French National Debt, together with that of the annual expenditure and revenue of that kingdom, will furnish every information necessary to the object of the present work, and a reference to the Documents placed at the end of this article, will both establish their authenticity and supply more interesting particulars with respect to the administration of French finances, to such of our readers as may be desirous of entering more fully into the subject.

A perusal of these Documents will shew that France having a representative government, enjoys at present the privilege of assenting or dissenting through the medium of its Chamber of Deputies to the Budget, in whole or in part, annually presented by the Minister of Finances, an office corresponding in some degree with that of the Chancellor of the Exchequer in this country, but the duties of which are not exactly similar. The Minister of Finance presents the Budget to the Chamber for discussion; a committee is then appointed to deliberate upon the items it contains, and the laws and taxes to which they give rise are then submitted to

the Chambers by the Minister for adoption. Independently of which he makes a report to the King, as at page 97 of the Documents, on the general state of the finances of the kingdom, in which the motives of the various measures and enactments of the preceding year are detailed; allusion is made to the more particular accounts accompanying his report, and the Budget of the following year is presented. These Budgets are seldom definitively determined till after the expiration of two or three years, when the actual amount of receipts and expenditures have been duly ascertained, and a law is passed to regulate them accordingly.

It now only remains to relate the present mode of managing the public debt and floating securities of the French Government, in order to furnish the requisite information respecting the exact nature of such securities, and the transactions to which they give rise between individuals.

Of the Great Book (Grand Livre) of the Public Debt.

This is the name given to the book in which the register of the annuitants is kept, corresponding with the books kept at the Bank of England, and would more appropriately be denominated the Great National Ledger: every annuitant has an account opened for each inscription (stock receipt) he acquires, in order to avoid any error arising from a similarity of names, so that there are as many accounts as stock receipts granted. The entries are made by transfers, from one account to the other. The Great Book is divided into eleven parts (*series*) the first eight of which include all the letters of the alphabet; the 9th is devoted to annuities belonging to parishes; the 10th is for stock constituted into real property, and untransferable; and lastly, the 11th, is appropriated to public bodies, stock brokers (*agents de change*) bankers, capitalists, &c. having regular accounts current.

The following is the state of the division of the French five per cent. consolidated stock on the 1st of September, 1821.

Stock made into real property, or which is not transferable.

Sinking Fund	rentes francs	21,404,955	
Extraordinary domains, and great officers of state	..	1,468,574	
Real property and reinvestments of do- main proceeds	..	208,551	
Herald's office	..	100,000	
Entailed property by the present owners ..	..	302,554	
Ditto and in reversion	..	438,077	
Fonds de retenue of ditto	..	116,244	
			24,038,965

In personal property, not transferable.

Deposits and judicial abjudications	..	1,285,045	
Bank of France	..	485,031	
Fund of the Land Invalids	..	1,811,540	
Ditto of the Sea ditto	..	2,131,328	
Saving Bank, Friendly Societies, Ton- tines, &c.	..	1,838,894	
Syndical Fund of the Parisian Bakers	..	4,810	
Various Insurance Companies	..	628,382	
The late Senate	..	1,324,642	
Legion of Honour	..	6,477,467	
Public and religious institutions	..	1,370,479	
Foreign ditto	..	351,341	
Parishes in the Department of the Seine ..	..	10,029	
Salt-Works de L'Est	..	100,000	
Superannuated Fund	..	1,623,182	
Securities	..	1,083,841	
Treasury	..	15,280,232	
Public Establishments in the Departments	..	4,936,687	
Of sundry proprietors in ditto	..	3,622,746	
			44,365,676

Transferable Stock.

Bank of France	..	1,588,387	
Deposit Fund for continental claims	..	965,900	
Ditto „ English ditto	..	2,873,918	
Inscriptions deposited for securities of certificates inspected*	..	488,006	
Companies in Holland for ditto	..	678,903	
Treasury, for rentes deposited and not claimed	..	141,565	
Different French and foreign proprietors ..	..	102,337,860	
			109,071,550
			177,479,180

* Made transferable to bearer.

From which it appears that at the above date not more than 109,071,559 francs rentes, or about two-thirds of the stock could be brought to market, the remainder being tied up.

Every inscription states the Christian and surname of the proprietor, the amount of annuity due to him, the number of the series in which it stands, the time of payment of the next dividend, the number of the transfer, and that of the journal.

According to the law of the 24th of August, 1793, no private individual can have an inscription for less than 50 francs annuities, (or £2. per annum.) But the *communes* (parishes) are exempt from this regulation by virtue of the law of the 20th March, 1813, granting them an amount of stock equivalent to the net revenue ceded by them to the State.

Of Sales and Transfers.

Transfers of stock by sale, are made by a declaration passed to that effect at the Treasury, in registers kept on purpose; these declarations must be signed by the owner of the stock, or by a person having his special power of attorney, and must be identified by a broker, who is in consequence made answerable for the validity of the transfer, but his responsibility, according to the law of the 27th Prairial of the year 10, cannot extend beyond five years.

Other transfers, not resulting from sales, can only be made on producing a certificate of ownership, or by a notarial act, when the transfer arises out of testamentary dispositions, or gratuitous gift; but if in consequence of any judicial proceedings, the certificate must be delivered by the Registrar.

The book shuts from the 4th to the 22d of March, and from the 4th to the 22d of September of every year.

Payments of the Dividends.

The dividends on the 5 per cent. consolidated annuities are paid half yearly on the 22d of March and 22d of September, and following days, to the holders of the certificates of the inscriptions on the Great Book, on presentation. Such payment is indicated on the back of that document by a stamp denoting the half year for which the dividend has been paid, and for which the holder is obliged to give a receipt. (Law of the 22d Floréal, year 7, Ordonnance of the King of the 18th October, 1819.)

The dividends on the public debt are paid in the Departments (Provinces) as well as at Paris, but not longer than five years after falling due, the holder of the inscription must for that purpose signify his wish to the Receiver General where he resides, who gives notice thereof to the Director of the Great Book.

Holders of stock who are unable to receive their dividends themselves, yet are unwilling to part with their certificates, may grant special powers of attorney, which must be certified by a notary for the purpose. These powers need not express any particular number or amount; but may generally be made to apply to all inscriptions held by the owner at the time, or to be acquired by him in future, (Ordonnances of the 1st of May, 1816, and 9th January, 1818); they must be deposited with a notary at Paris, who gives a notarial copy thereof to the attorney, who, on presenting it to the Director of the Great Book, receives two certificates similar to the original inscriptions, one of which is affixed to the receipt for the first payment, and the other remains with the party, to be presented at each half yearly payment, when a memorandum to that effect is stamped on the back, in the same way as with the original certificates.

Powers of attorney remain in force for ten years, unless revoked, or the dividend received by the owner. Parties holding powers of attorney and receiving the dividends, knowing the owners to be dead, are liable to prosecution.

Measures have been adopted so that parties residing in the Departments may acquire and transfer inscriptions through the medium of the Receivers General, in the same way as is done at Paris in the Great Book.

Reconnoissances de Liquidation.

The reconnoissances are divided in two classes; the first class consisting of sums of 1000, 5000, and 10,000 francs, with dividend warrants for every half year's interest. Those of ten thousand francs are on pink paper, those of five thousand on blue paper, and the reconnoissances of one thousand francs on yellow paper.

The second class consists of broken sums, and of amounts under 1000 francs, and bear interest from the 22d March, 1817, but have no dividend warrants, the interests are payable to the bearer upon his receipt, and a memorandum to that effect is indorsed on the reconnoissance; these are on white paper, from which arises their appellation of white reconnoissances.

When it is wished to exchange a number of these, forming together the sum of 1000 francs or upwards, the Treasury delivers yellow reconnoissances of 1000 fr. and gives new white ones for any excess in the amount brought to be exchanged. The white reconnoissances generally fetch 50 cents, or $\frac{1}{2}$ per cent. under the market price of the other.

In order to obviate the inconvenience attending their loss, holders are allowed to deposit them in the Treasury against indented receipts (*recipissés à talon*) transferable only by indorsement, in which case every indorsement must be attested or identified by an agent de charge. These receipts have also dividend warrants attached to them, and are as negotiable as the original reconnoissances, against which they may at any time be exchanged, if regularly indorsed. The receipts hitherto delivered are of the amount 10,000, 25,000, and 50,000 francs, and are all on white paper. Those of 10,000 fr. are printed in red type, the 25,000 in

black, and the 50,000 in blue; but no other receipts but for 10,000 will be granted in future.

Bank Shares (Actions de La Banque de France.)

The original capital of the Bank of France consisted of forty-five thousand shares of 1000 francs, amounting to 45,000,000; but in order to enable the bank to extend its operations, its charter, which was originally granted for fifteen years, and would have expired in 1818, was extended to the 22d September, 1843; and on the 1st January, 1808, it was authorised to negotiate forty-five thousand more shares of 1200 francs each instead of 1000; and in order to equalize all the shares, 200 francs were taken for each of those already existing, out of the reserve fund in hand. The 90,000 shares of 1200 francs each, form thus a capital of 108 millions, without including the reserve fund, but the Bank having itself purchased 22,100 shares, only 67,900 remain in circulation. The annual dividend consists of 6 per cent. on the original amount 1000 fr. and of two-thirds of the profits exceeding the amount of the 6 per cent.; the other third is laid by as a reserve fund. The dividend is declared every six months, and payable on the 1st of January and July of each year. In case the profits do not amount to 6 per cent. recourse is had to the reserve fund to supply any deficiency, so that the dividend is never less than 30 fr. per share. For the present state of the Bank, see Documents, page 102, and following pages.

The profits laid by, previous to the law of the 22d of April, 1806, amounted to 7,760,650 fr. 76 c. The transfer of shares is made in folios (*registres*) kept for the purpose, by a declaration of the holder, or his attorney, signed on the *registre*, and attested by an agent de change. Bank shares may be entailed; they then become real property.

Obligations de la Ville de Paris.

The municipal administration of Paris having been under the necessity of issuing negociable securities to procure the

funds, it had occasion for, in order to defray the expenses incident to the military occupation in 1815, and to the inclement season of 1816, was in the first instance authorized to raise and dispose of 1,500,000 francs of annuities, the proceeds of which were to liquidate its debts; but the sale of these rentes not proceeding with facility, and the municipal administration being besides conscious of the difficulty it would experience to redeem them, suggested another method of paying its debts, and as the adoption of the new plan was also calculated to furnish the necessary funds for the construction of various edifices and establishments of public utility, of which the want of funds prevented the completion, the city of Paris was empowered to issue 33,000 bonds of 1000 fr. to bearers, making a total sum of 33,000,000 fr. repayable in the course of twelve years, beginning on the 1st of October, 1817, and finishing on the 1st of July, 1829. The bonds bear six per cent. interest, which is paid every three months; and one month before each of these payments the numbers of the bonds to be paid off are drawn at the Hotel de Ville, in the presence of the Prefect of the Seine and other authorities; the numbers drawn are entitled to a prize to be determined by lots, the amount of prizes is 6,081,230 francs; the payment of the interests, and the reimbursement of the capital and prizes belonging to each bond, is made from the 1st day of every quarter, at the Caisse Municipale. Messrs. Hentsch, Blanc & Co. insure these bonds; that is to say, that on the payment of a certain premium, they engage, should any particular bond be drawn at the next drawing with a small prize, to exchange it against an undrawn number. The lowest prizes are of five francs, and the highest is 20,000.

Rentes of the City of Paris.

1,500,000 francs of 5 per cent. perpetual annuities were created to discharge the debt of the city of Paris, but as observed before, bonds were substituted for this amount;

of these 1,500,000, 1,288,000 unsold are deposited with the Sinking Fund, as a security for the payment of the bonds, and 212,000 fr. remain in circulation. In case the discharge of these bonds should not be punctually made, the sinking fund is empowered to sell the rentes thus deposited to the amount of bonds unpaid, and to employ the proceeds in taking them up. These 212,000 rentes are made to bearer, and divided in *coupous* of 250 fr. each; the payment of which is made on the 1st of January and July, at the Caisse Municipale, on producing the dividend warrant and the receipt of the holder, which must first be signed by the Comptroller of Rentes.

Shares of bridges (*Actions des Ponts*). These shares are 3780 in number, and were issued by the association of the three bridges on the Seine; namely, the Pont des Arts, the Pont du Jardin des Plantes, and the Pont de la Cité; these shares are made to bearer; they are of 1000 fr. each, and receive a dividend declared quarterly at the general meeting of share-holders. The dividend consists of the total amount of receipts less 1-30th part, which has been retained since 1811, and is sub-divided in the following manner: One-third is appropriated to the repairs and charges of management of the bridges, the other two-thirds are laid by to provide a capital for the re-payment of each share on the 30th of June, 1897, when the whole are to be paid off. The dividends are paid every three months, viz. on the 1st of January, 1st of April, 1st of July, and 1st of October.

Insurance Companies.

These companies having been but lately instituted, and forming as it were part of the present financial system of France, it may be useful to give a short account of them.

The Royal Company of Marine Insurance has a capital of 10,000,000, divided in 2000 shares of 5000 francs each; 100 francs 5 per cent. rentes, are transferred in the name of the Company, for each share, which are divided amongst the share-holders on falling due. The annual profits, as may

appear by the accounts closed on the 31st of December of each year are divided, after reserving one quarter at least, and one half at the most, to increase the capital till it shall have amounted to 2,500,000 francs, after which the surplus is divided amongst the share-holders : when the above sum shall have been collected, not more than one quarter, nor less than one-eighth of the future profits may be laid by, the remainder being divided.

The Royal Fire Insurance Company has a capital of 10,000,000 francs, divided into two thousand shares of 5000 francs each ; these shares are similar to the former, except that only fifty francs 5 per cent. annuities, are transferred for each share ; the principal is also upon the same plan.

The Royal Life Insurance Company has a capital of 30,000,000, divided into six thousand shares of 5000 francs each.

The Company of General Marine Insurances possesses a capital of 5,000,000 francs, with 300 shares of 12,500 francs, and 1000 shares of 1250 francs. The former are in the names of the owners, and cannot be transferred without the consent of the Director. One-fifth part of these shares is paid in money, or in deposits of public securities, at the option of the holders, the remaining four-fifths in bonds payable on demand. Foreign share-holders not domiciliated, or having no landed property in France, are required to pay the full amount of their shares in transfers of government securities. The 1250 francs shares are made to bearer, and paid in full in money. Holders of the large shares may pay up more than one-fifth of the amount of their share, and may also sell the rentes transferred on account of the fifth paid. They, or the share-holders of any of the above companies, are not answerable for more than the amount of their share. A dividend of $2\frac{1}{2}$ per cent. is made every half year, out of the profits, amongst the holders of shares which have been paid up. The interest in stock transferred to the Company by the others, is regularly paid to them. One-eighth of the clear profit is laid by as a fund of reserve ;

2 per cent. of the remaining seven-eighths are taken every year by the Directors, to be employed in charitable purposes, the surplus is then divided amongst the share-holders, but the proportion of the shares not paid up is placed to the credit of the holders, in diminution of the remaining funds to be furnished by them.

There is also a *General Insurance Company* with a capital of 2,000,000 francs, composed of three hundred shares of 5000 francs, and one thousand of 500 francs ; a *General Life Insurance Company*, whose capital is of 3,000,000 francs, consisting of 300 shares of 7500 fr. and a thousand of 750 ; a *Commercial Insurance Company*, having 4,000,000 fr. of capital ; and a *Fire Insurance Company*, called *The Phoenix*, all of which are nearly constituted upon the same principle as those above described. The

Deposit and Consignment Fund (*Caisse des dépôts et consignations*) remains to be noticed. It was established for the departments, parishes, and public institutions, and is authorised besides to receive voluntary deposits at Paris in current coin, or notes of the Bank of France. The sums paid in bear an interest of three per cent. provided they have remained thirty days or more. They may be withdrawn at any time on delivery of the receipt for the money thus deposited.

The above particulars, those to be found in the official Documents further on, together with the accounts furnished at the end of this volume of the modes in which business is transacted in foreign securities, will, it is presumed, supply every requisite information on the subject of the public debt of France.

RUSSIA.

THE financial history of countries not possessing a representative form of government, is more difficult to trace than of those where freedom of discussion gives publicity to every measure, as no accounts are published except such as it is the wish or the interest of their rulers should be made known. Yet in the present state of the civilized world, governments, however despotic, depend upon public opinion for support ; taxes may be arbitrarily imposed, contributions may be levied, paper money circulated without regard to the interests or necessities of the community, but experience teaches us that whatever temporary advantage such measures may afford, confidence and credit, without which governments cannot subsist, is only to be secured by a punctual observance of engagements, and a due regard to justice and good faith.

The truth of these remarks cannot be more fully illustrated than in the example which the Russian Government, than which a more despotic one scarcely exists, affords us ; yet there, it has been found imperiously necessary, in order to carry on the measures of the administration, to adhere with the most scrupulous attention to the principles of honour and justice towards the public creditor ; and it is a question not easily answered, whether the extreme multiplicity and minuteness in the public accounts, which are annually presented to the nation in this and other popular forms of government, is not more calculated to perplex than to elucidate subjects which are at best above the comprehension of those

who do not make them their particular study. And perhaps a subject of the Russian Empire, where annual accounts of the public debt are cursorily published in a supplement to the *Conservateur Impartial*, on a sheet of small letter paper; or a Prussian who glances over a scarcely legible Budget, inserted in the Berlin Gazette, where the income and expenditure are made to balance within a farthing, are nearly as well acquainted with the finances of their respective countries, as an English, French, or American politician; nine out of ten of whom do not perhaps even understand the technical terms employed in the public accounts, to be found in the voluminous Statements and Reports of Finance Committees, &c.

Origin and Progress of the National Debt of Russia.

The origin of the debts of all nations and governments is of course to be traced to the excess of expenditure over the revenue, but different countries have adopted various methods of supplying the deficiencies in their receipts, or of raising the necessary funds for carrying on their respective operations. The most obvious expedients which have presented themselves, were by borrowing money from their own subjects, as in this country; by the issue of a paper circulation for the payments of their debts, as in Russia; or by both these measures combined, as in America, where loans were also raised abroad.

The Russian Bank was founded in the year 1768 by the Empress Catherine, and issued forty millions of roubles in notes, exchangeable against copper coin. This amount was subsequently raised to one hundred millions; 33 millions of which were lent to the Loan Bank, who advanced 20 millions thereof to sundry large land-owners, and 11 millions to some builders and architects in the two principal cities of the empire. The paper rouble, which was scarcely below par at the end of the last century, gradually sunk, till in the year 1810, it fell to one third of its value; the exchange in copper

coin was, however, not suspended, but its exportation was prohibited, and some deterioration took place in the coin. The paper issue constituted for many years the principal debt of the Russian Empire; from the year 1768 to 1786 it only amounted to 40,000,000 roubles (about £6,000,000 sterling); in 1787, 60,000,000 were added, making the total circulation 100,000,000: since which they have increased as follows:

	Were added,	Making together,	Value of Silver Rouble in Bank Notes.
1790.....	11,000,000	111,000,000	115 Copecks.*
1791.....	6,000,000	117,000,000	123
1792.....	3,000,000	120,000,000	126
1793.....	4,000,000	124,000,000	135
1794.....	21,550,000	145,550,000	141
1795.....	4,450,000	150,000,000	146
1796.....	7,703,640	157,703,640	142
1797.....	5,871,200	163,574,840	126
1798.....	31,356,765	194,931,605	137
1799.....	15,068,395	210,000,000	148
1800.....	2,689,335	212,689,335	153
1801.....	8,799,000	221,488,335	151
1802.....	8,976,090	230,464,425	140
1803.....	17,160,240	247,624,665	125
1804.....	13,033,885	260,658,550	126
1805.....	31,540,560	292,199,110	130
1806.....	27,040,850	319,239,960	137
1807.....	63,089,545	382,329,505	148
1808.....	95,039,075	477,368,580	186
1809.....	55,832,720	533,201,300	224
1810.....	43,798,700	577,000,000	300

The above 577,000,000 roubles in sterling, about £27,000,000, formed the principal amount of the debt of Russia, and bearing no interest; but the Bank-notes circulating in 1817 were estimated by Count Gourief (Doc. p. 130) at 836,000,000 roubles.

Independently thereof Holland advanced large sums, the total amount of which in 1816 was 83,600,000 florins (about £7,000,000 sterling), but the funded debt could not be much increased in the interior, where agriculture, trade, and manufactures, still in their infancy, present so wide a field to industry, and for the employment of capital.

* There are 100 Copecks in a Rouble.

In 1810 measures were in contemplation for the reduction of the debt, but war intervening, the funds intended for that purpose, were diverted into other channels, and an increase of debt was on the contrary incurred by arrears in the War and Navy Departments.

The payment of the interests on the foreign debts, was suspended during the years 1813, 1814, and 1815, but at the return of peace, one of the first cares of the government was to remunerate the creditors of the State for the temporary interruption in the receipt of their dividends. The over-due amount of which was paid them in new bonds, bearing 5 per cent. interest from the day on which they fell due.

The first serious attempt to reduce the amount of paper money, or floating debt of the empire, was made in 1817, when the administration of the public debt was confided to a committee entrusted with its entire management. According to the regulations then established, and for which see page 107 and following of the documents, the Russian debt was divided into two parts, those bearing interest perpetual and reimbursable, and those paying no interest, namely, the Bank Notes.

A sum of thirty millions of roubles (between four and five millions sterling) is to be annually appropriated from the revenues of the domains of the crown, for the payment of the interest and principal of the funded debt.

The system of inscriptions in a Great Book was adopted; according to which all private creditors, as well as those having claims upon the government for stores, &c. furnished previous to 1816, were at liberty to have their respective debts transferred into perpetual annuities. For the gradual redemption of the inscriptions, a sinking fund of two per cent. on the nominal amount of the debt was established. This arrangement was also appropriated to the diminution of the debt bearing no interest, giving rise to the stock known by the name of Six per Cent. Inscriptions.

Six per Cent. Inscriptions, Paper and Metallic.

For 120 roubles in paper or specie, an annuity of six roubles to be paid in the same currency as subscribed, was granted, with an allowance of 1 per cent. for discount. The amount of a loan opened on the 10th of May, 1817, was intended for the diminution of the paper money, (Doc. p. 121) the interest of this new loan, together with a sinking fund of two per cent. on its nominal amount, to be taken from the 30 millions originally intended for the extinction of the notes; this latter fund had to expect an increase, 1st, from the surplus arising out of the gradual redemption of the foreign and interior debt; 2d, by the excess of the receipts of the Treasury; and lastly, from the proceeds of the sales of domains; according to a statement made on the 24th of May, 1818, the sum of 28,252,237 paper roubles had been subscribed on account of this loan. One circumstance tended particularly to assist the efforts of the Russian Government at that period; the general failure of the crops in 1816, by occasioning a great scarcity of corn in the west of Europe, opened to the eastern regions a most favourable market for their superabundant produce, and it was to be expected that for a considerable length of time the supplies accumulated there would be drawn to those countries where scarcity had given such an impulse to trade.

With the diminution of the public debt of Russia was, therefore, in a measure, connected the introduction of the precious metals in substitution of the Bank-notes; and it excited considerable surprise that notwithstanding the large importations of gold and silver, consequent upon the commercial operations of that period, and the purchase of inscriptions, no sensible effect was produced upon the price of silver, as compared with the Bank-notes. But it was understood that all the precious metals imported found their way to the farmers of the interior who furnished the corn, and in

proportion to the preference which they gave to that mode of payment, mercantile men found it to their advantage to make their bargains in specie.

In June, 1818, a second loan was opened for the purpose also of diminishing the mass of Bank-notes (see Doc. page 122); for every 85 roubles in gold, silver, or Bank-notes, 100 roubles, bearing 6 per cent. interest, was inscribed in the same money as was deposited. And

In August, 1820, a loan of 40,000,000 silver roubles was contracted with the houses of Baring and Hope, payable in instalments of one-third every six months, at 5 per cent. per annum, which loan opened at St. Petersburg at 72 per cent. or 2 roubles 70 copecks Bank-note, per silver inscription rouble, (see Doc. p. 123.)

On the 1st of January, 1818, the foreign debt of Russia amounted to 101,600,000 Dutch florins, owing to an increase of 18 millions for four years interest remaining in arrear; only one half of this amount however was at the charge of Russia, the other half having been taken over by the governments of Great Britain and the Netherlands, in consequence of the treaty of the 3d of May, 1815.

The inland debt at that period, paying interest, amounted

to 214,201,184 roubles 22 copecks in Bank-notes.	
3,544,852 „ 91½ „ Silver.	
18,520 „ — „ Gold.	

The sinking fund received, according to the above-mentioned regulations for the payment of interest and the redemption of debt, 30 millions roubles in Bank-notes, of which

13,863,883 roubles were paid towards the extinction of the debt,	
16,121,260 „ „ in dividends; and the balance of	
14,547 „ was carried to the accounts of the following year.	

RUSSIA.

For the diminution of the paper money, the Committee of the Sinking Fund received from the Treasury in 1817

	Roubles 10,000,000
The amount of the loan issued in May of that year, produced.....	28,252,287
Interest accruing from the Loan Bank on the deposits made by the subscribers to that loan.....	67,719
And in receipts on account of domains sold	266,594
Together....	38,586,550
From which must be deducted for management and interest on the amount subscribed to the loan to 1 Jan. 1818..	562,675
The remainder being..	38,023,875

was the net amount of Bank-notes purchased, which were publicly burned.

The above affords an opportunity of judging of the manner in which the extinction of the paper circulation is carried on in Russia.

The reports of the Minister of Finance, Count Gourief, at p. 125 and following pages of the Documents, present the only official accounts published of the state of the Russian finances, to the 1st of January, 1821, from which it appears that at that period the funded debt amounted to

9,202,760 roubles metal. 6 p. ct. which at 3s. are equal to about	£1,380,000
201,314,480 paper ditto 10d	8,388,100
13,250,000 metal. 5 p. ct. new loan at 3s.	1,987,500
(26,750,000)* ditto, balance of the loan of	
40,000,000 roubles added since...	4,012,500

The inalienable debt was

39,812 6 per cent. metallics.....	5,270
37,795,411 paper	1,550,000

The paper money in circulation was

639,460,270 ro. which at its present value of about 10d. is 26,640,000

* Not included in the Minister's report.

And the internal debt

3,373,180 roubles in specie	502,000
47,514,230 paper.....	1,980,000
And the debt in Holland of 49,100,000 is	4,000,000

Making the total debt of the Russian empire,

49,100,000 florins in Holland	} in stock. }	50,450,070
25,865,752		
26,756,000 — 52,615,752 metallic roubles		
286,624,121 paper ditto		
39,460,270* roubles in Bank-notes		

Against which however the Government Bank possessed a capital as follow :

The Loan Bank	10,919,581 50½ (p. 131.)
Commercial ditto ...	24,889,950 11 (p. 132.)
Together...roubles	35,809,531 61½

It follows from the above that the annual charge of the Russian debt is

In Holland	florins 2,455,000, or about £200,000
In 6 per cent. metallic..roubles	736,943 110,540
5 per cent. ditto ditto	2,600,000 300,000
6 per cent. paper ... ditto	15,197,447 629,060
Together.....	£1,240,600

Resources and Revenue of the Russian Empire.

On this subject our information is unsatisfactory, and confined to general data, but the knowledge of the extent of the Russian Empire, and of the development of which it is sus-

* The loan of 40,000,000 roubles having been contracted, (see page 123 of the Documents) for the extinction of paper money, it is to be taken into consideration that a proportionate diminution of paper money may have taken place out of the above proceeds, inscribed on the 1st of January, 1821, but of which no account has been published; it may therefore not be quite correct to add this amount to the debt, leaving the circulation of paper money as it stood at the above date.

ceptible, must satisfy us that her latent and natural resources greatly exceed her present necessities. Extending over 37 degrees of latitude, from the frontiers of Armenia to the borders of the White Sea, her soil presents every variety of climate. In the centre of this vast empire, extensive plains are found producing corn in abundance. Many of the western districts furnish the best flax in Europe; the southern districts are favourable to the cultivation of fruit, silk, wine, and to rearing of sheep. The horses of the Caucasus, and the horned cattle of Podolia, are of the very best kind; in no parts of Europe do the Bees produce more abundant supplies. The mines of Russia furnish every metal, the most useful ones in the greatest abundance; as well as salt. Immense forests, yield large quantities of timber and wood, and rich coal-mines will easily supply any deficiency which at any future period may arise in the quantity of fuel. And lastly, the quality of fish in the rivers, and along the coast, and the variety of game to be found in Russia, is not surpassed in any country.

It is remarked by Storch, in his celebrated work on Political Economy, that notwithstanding individual property is not protected in Russia, as in many other countries, the increase of capital during the last century has been very considerable in that empire, in the midst of continental wars carried on against Sweden, Poland, Prussia, Turkey, Persia, and France, and that in spite of the growing luxury of an ostentatious court, and a nobility generally inclined to dissipation, the national income has sufficed not only to cover all incidental expenses, but even to encourage the foundation of numerous establishments for the dissemination of knowledge, and for charitable institutions; to increase the army two and three-fold; to establish and maintain a respectable fleet in two seas, and produce savings for the accumulation of national capital.

But it is nevertheless observed by the same author, that the existing capital in Russia is still out of proportion with the increase of national industry, and that this industry is

in consequence supported with the credit of foreign nations more wealthy than herself. We are therefore warranted in assuming, from the generally known circumstances of the Russian Empire, that although we have no positive data of the annual amount of income and expenditure of the State, that the general increase of national wealth, added to the very want of capital above mentioned, rendering occasional foreign aid necessary, must furnish the government of that country with the means, as well as the inclination, of keeping faith with the public creditor, and of punctually fulfilling its engagements.

Of the nature of the public debts of Russia, and their management; of the means appropriated for the payment of the interest, and for their gradual extinction; of the keeping of the Great Book, transfer of stock, dividends, and in short of every particular connected with the subject, such ample information is given in the regulations of the Committee of the Sinking Fund of the 16th of April, 1817, to be found at p. 107 and following pages of the Documents in this volume, that it is only necessary to refer to them as regards the manner of transacting business in the public securities of that country; and with respect to other desultory information on that subject, the particulars will, according to the plan adopted in this work, be found at the end of the volume.

Bank and circulating Medium.

Although the Bank-notes circulated in Russia as forming part of the National Debt, bearing no interest, have been fully described in the above, it may be useful to consider them also as connected with the currency of that country, and in relation to the other banking establishments.

When the Bank-notes were first issued, they were exchangeable against copper money, but at that time a copper rouble was not worth more than 50 copecks in silver, yet the notes circulated for 100 copecks, owing to their being ad-

missible in all payments, and taken by the Treasury at that rate; when their issue increased, the government requiring the precious metals for the pay of the armies, &c. stipulated that certain duties should be paid in silver, and fixed a rate at which the notes should be taken at the Treasury in payment of the others, corresponding with their value as compared with silver, thereby confirming the depreciation of their own notes. On the 2d of February, 1810, the government issued a manifesto, declaring the Bank-notes a sacred debt, secured upon all the property of the State, promising that no further increase should take place, and that all practicable measures for their reduction should be adopted, in consequence of which part of the crown domains were put up for sale; a loan was raised, in which the notes were taken at half their nominal value, and in order to make up the deficiency in the revenue arising from a cessation of further issues, all taxes were considerably increased. The amount of the circulating medium in Russia was estimated by Storch at $170\frac{1}{2}$ millions in specie, or about $25\frac{1}{2}$ millions sterling.

Russia has several Banks, accounts of which will be found in the statements of Count Gourief at page 126 of the Documents. The Russian Assignment Bank was founded in 1768 for the issue of the above notes, and is now occupied in their exchange.

The new Petersburg Commercial Bank was instituted in the beginning of 1818; the capital was furnished by government; it issues no notes, and is confined to discounting and making advances upon merchandize.

The Loan Bank is of older standing, and is to receive a new organization. A fire insurance office, the only one existing in Russia, is attached to this establishment; where stone, or brick buildings only are insured, at the rate of $1\frac{1}{2}$ per cent.

P R U S S I A.

THE finances of the Prussian monarchy admit of less detail than those of any other of the European states, of the same rank : though involved in various contests since the first establishment of the monarchy in its present state, under the great Frederic, the operations of the treasury were generally carried on with tolerable regularity, and the despotic form of the government rendered it unnecessary to give publicity to the financial measures of the state ; the support of large armies however at times, even previous to the French revolution, frequently drained the public coffers ; but the state having scarcely any national debt, being but of modern date as compared with other European powers, and having under the House of Brandenburg made valuable territorial acquisitions, it was easy to surmount the temporary embarrassments thereby occasioned ; but the revolutionary war of France, in which Prussia took an early and prominent part, and the extravagance of the late king, rendered it necessary to have recourse to the system of borrowing money, and loans were about that time contracted for in Holland, which have however been gradually and regularly discharged.

Since the unfortunate year of 1806, Prussia experienced all the vicissitudes to which the other Continental States were in turn exposed during the reign of Buonaparte. Her interest-bearing debt, which previous to the war was estimated at not more than $36\frac{1}{2}$ millions of rix dollars, about five and a quarter millions sterling, was considerably encrased, and

the reconquered countries, or those received in exchange, were mostly burdened with heavy debts; nor was the quantity of paper currency, *Tresor scheine*, which began to be issued in 1806, inconsiderable; but measures were already adopted in 1814 to withdraw them. Still the late war had left a large floating debt unprovided for, and for the discharge of which the current revenue of the state was inadequate, and the new fortifications to be constructed on the Rhine, rendered additional supplies necessary, and gave rise to the loan of five millions sterling, contracted in this country in the year 1818.

The amount of the national debt of Prussia was made known by a Royal ordinance of the 17th of January, 1820, (see Documents, page 133;) concerning the general administration of the finances, and to which it is only necessary to refer. The king explains therein in what manner late events and the engagements resulting from them had till then prevented the exact regulation of the debts of the state, yet that they in conformity with a finance law of the 27th of October 1810, whether for the payment of the current interest or for the reimbursement of those in arrear, had been fulfilled as much as circumstances would admit of.

According to the above ordinance, the total amount of debt bearing interest was about 206 millions of rix dollars, and the floating debt without interest, consisting of treasury notes, dollar notes, Saxony cash notes, &c. about 11 millions, making together about thirty-one millions sterling, at an annual charge of 7,637,177 rix dollars, (see page 139,) or about £1,100,000. In the above amount of interest-bearing debt however is included about 26 millions rix dollars of provincial debt, the management of which being at that time separate from that of the other part of the debt, the amount of interest above stated only refers to the 180 millions of rix dollars of state debt as follows.

PRUSSIA,

35

	<i>Rd.</i>	<i>gr.</i>	<i>pf.</i>
Loans in foreign Countries, namely, thirty millions in England, and the rest in Holland	35,982,009	12	7
In Churmark Bonds at 4 & 5 per Cent. Interest	3,324,890	23	8
Sundry Miscellaneous Debts.....	598,535	17	2
Mortgages on Domains	5,527,245		
Consolidated Interior Debt	119,500,000		
Outstandings not yet acknowledged, estimated at	15,249,039	13	8
Together	180,091,720	19	1

The amount of which debt was in future to be considered as irrevocably fixed, and the king pledges for himself and his successors the collected income and property of the state for its discharge, but more particularly the following.

Charges upon the Revenues of Domains and Forests..	<i>rix d.</i>	5,868,000		
Proceeds of the Sales of Domains		1,000,000		
Duties upon Salt.....		3,275,027	21	10
Making what may be termed the Consolidated Fund of Prussia, amount to		10,143,027	21	10

Or about £1.145,000 annually; some of these revenues are however specially affected to particular debts, as is amongst others, the case with the Loan contracted in this country,* where the revenues derived from the salt monopolies and sundry royal demesnes, are given in security and

* The following were the particulars of the Loan as made known in April, 1818.

“ Mr. Rother, His Prussian Majesty’s Privy Counsellor of Finance, and Director of the Public Treasury, has contracted with Mr. N. M. Rothschild for a Loan, 5,000,000 sterling at the following rates.

£2,500,000 at 70 per Cent.	
1,250,000	72½
1,250,000	75

To be raised by 10 monthly instalments of 10 per Cent. each. The first instalment of the 2,500,000 to begin on the 1st of May; that of the 1,250,000 at 72½ on the 1st of July; and that of the 1,250,000 at 75 per Cent. on the 1st of October.

The loan is to bear interest at 5 per Cent. per ann. from the 31st of March last, payable in London half yearly, on the 1st day of April, and the 1st day of October, and it is to be paid off within 28 years. A discount after the rate of 5 per Cent. will be allowed upon the payment of instalments in advance.

mortgaged. And the 1,000,000 rix dollars to the repurchase of *Staats Schuld Scheine*.

“ The loan to be raised upon bonds, to be issued by the Prussian government payable to bearer; and with each bond will be delivered warrants upon Mr. Rothschild, for payment of the interest to bearer as it becomes due.

“ The Bonds, for the convenience of the public, will be thus divided :

500 Bonds of £1000 each.		
2000	„	500
4000	„	250
25,000	„	100

Securities for the payment of the Loan and Interest.

“ The government of Prussia, will by an Act of its legislature, place at the disposal of the Directors of the Maritime Commerce (Society), at Berlin, certain specified revenues, to be remitted half yearly to Mr. Rothschild, for payment of the interest of the Loan; and the same Directors will also remit to London, by half yearly payments, the following sums, viz.

In the year 1818—19 £3 per Cent. on the amount of the loan.

1819—20	2½
1820—21	2
1821—22	1½
1822—23	1

And the like sum of 1 per Cent. in every following year of the 28 years.

“ The sums to be so remitted are to be applied in redeeming the bonds, and the interest of the bonds redeemed is to be applied in the same manner, thus forming a sinking fund for the protection of the public, which the Prussian government is at liberty to encrease by other remittances: and in case, at the end of the twenty-eight years, any of the bonds shall remain unredeemed, the Prussian government engages to remit to London, on or before the year 1847, such a sum of money as shall be sufficient to redeem all the bonds then in circulation at par. If at any time, the bonds should be above par, then in order that the operation of the sinking fund may continue, the persons in whose names securities are to be deposited for the time being as herein after referred to, or any two of them, are in such manner as they may think proper, to draw lots to ascertain which bonds shall be advertised to be redeemed; and the bonds being thus ascertained an advertisement is to be inserted in the London Gazette, requiring the holders of such bonds to bring them to be redeemed within three months from the date of the advertisement; and the holders shall in such case, be bound to deliver up the bonds advertised for, upon payment at par; and all interest upon such bonds shall cease at the end of three months from the date of the advertisement. A list will be published in the London Gazette, half yearly, of all the bonds from time to time redeemed.

In the month of August, 1820, a loan of thirty millions of dollars was raised in the form of a lottery, for the purpose of enabling the Prussian government to take out of circulation an equal amount of their floating and unfunded debt; and thus without occasioning any increase of debt.

Sinking Fund.

For the gradual redemption of all the debts bearing interest in as far as has not been already provided for, as with the loans contracted abroad by some special appropriation, one per cent. is set apart annually upon the principal of the debt, as a general sinking fund, with the interest accruing upon that part of the debt redeemed, with some exceptions, as are more fully detailed at page 134 of the Documents.

The amount set apart for the payment of the interest	
and gradual discharge of the public debt being . . .	10,143,027 21 10
And the annual interest on same	7,637,177 5 10
Leaves for the gradual redemption of the debt	2,505,850 16

Of which sum one million of rix dollars annually arises from the sale of domains. By virtue of the agreement with the contractors of the loan negotiated in this country, the debt thereby created will be extinguished by gradual purchases of the outstanding bonds at the expiration of 28 years, viz. in 1846.

“ The loan is to be further secured by a mortgage of certain revenues of the kingdom of Prussia, of sufficient amount, and by special mortgage bonds, pledging certain royal domains which have been placed at the disposal of the Prussian government, by virtue of a statute of the royal house, sanctioned by the States, which bonds are to be countersigned by the State officers of the provinces where the domains are situate. The above securities are intended to be deposited in the Bank of England, in the names of Mr. N. M. Rothschild, the contractor, of an officer of State of his Prussian Majesty, and of a permanent agent of the Prussian Government.

“ The Prussian government, at the end of every three years, is to have part of the securities, to the amount of the bonds redeemed, delivered up to be cancelled.

In August, 1821, the Commissioners appointed for the reduction of the national debt, published their annual report, from whence it appeared that with the sum of 1,000,000 dollars annually appropriated for the purpose of redeeming the bonds called *Staats Schuld Scheine*, they had during the three preceding years purchased more than five millions of rix dollars in outstanding bonds, viz. in 1818 and 1819, about 1,500,000 rix dollars each, and in 1820, 2,035,000; the interest saved by the bonds so cancelled, is added to the sinking fund, to assist further in the extinction of the debt.

A Committee, for the gradual repurchase of government bonds, was originally established in 1814, which in the progress of its operations had cancelled and withdrawn from circulation floating securities of various descriptions to the nominal amount of 120,619,531 rix dollars, 19 grosschen and 1 pfenning, the vouchers of which were publicly burned; a new organization was given to the sinking fund by the establishment of a Committee totally independent of the other treasury boards of the state, to whom was entrusted the general administration of the public debt and its redemption, formerly committed to the care of the Maritime Society; a mercantile establishment formed by the government for the purpose of carrying on the manufacture of tobacco, purchases of salt, and of conducting the fiscal operations of the state.

*Of the Management of the public Debt, payment of the
Dividends, Loans, &c.*

The management of the Prussian Debt is confined to a Committee denominated the "Chief Administration of the State Debts," *Haupt verwaltung der staats schulden*, charged with collecting the revenues specially appropriated to the public debt and its redemption, and totally independent of the treasury; but the payment of the interest, &c. of the foreign debt, is entrusted to the care of the Maritime Society, who make the necessary remittances abroad for the purpose.

There is no great book in Prussia, and consequently no certificates of inscription. The vouchers of the public debt consist for the most part of bonds or obligations having half yearly dividend warrants attached to them, transferable to bearer, and the dividends are payable on presentation. These bonds having been issued for money raised or in payment of debts, no particular time is fixed for the payment of the interests; on the loan negotiated in this country they are paid on the 1st April and 1st of October, of each year.

The bonds or obligations which may in the course of every year have been redeemed, are until the meeting of the general assembly of the states be appointed, deposited under the joint care of a deputation of Magistrates and of members of the general administration of state debts, to be cancelled; and the numbers and particulars thereof publicly advertized in the newspapers.

All unclaimed dividends remaining due on the 1st January, 1824, are to be forfeited for the benefit of the sinking fund.

The loan of five millions negotiated in this country, was opened to the public by the contractor at 75 per cent. and was the first instance of a foreign loan being actually contracted for in England, although a great proportion of the funds raised for account of the French government in preceding years, was transmitted from thence.

The loan of 30,000,000 dollars alluded to above, was contracted for on the continent, it was divided into 300,000 state bonds of 100 dollars, each bearing interest at the rate of 4 per Cent. per ann. payable half yearly in Berlin, in specie; this loan being raised in the form of a lottery, the bonds according to statute are not negociable in this country. Every subscriber received a bond of 100 dollars capital, and a ticket entitling him to certain premium or benefits determinable by lot in ten half yearly drawings; the highest prize being 100,000 dollars was drawn on the 1st of July, 1821. All holders of prizes exceeding 130 dollars are held to return their original bond, which is in consequence cancelled,

but when the prize is below 130 dollars (the lowest being 18 dollars) the holder retains his bonds, upon which interest is regularly paid.

Revenue and Expenditure.

Previous to the year 1820, the expenditure in Prussia exceeded the ordinary revenues of the kingdom by between 7 and 8 millions of rix dollars, the former having amounted to from 53 to 54 millions, whilst the latter did not exceed 47 millions; however in the above year the ordinary expenses were fixed at 50,800,000 rix dollars, about £7,200,000 per annum, considerable retrenchments having been determined upon in the war department. The civil list is fixed at $2\frac{1}{2}$ millions rix dollars, from 3 to 400,000 pounds sterling; and in the budget of 1821, the revenue was estimated at 50,000,000 rix dollars; the interest and appropriations of the public debt forming about one fifth part of the total expenses.

The principal resources of Prussia arise from the customs and excise, the proceeds of which are estimated at about 15,000,000 of rix dollars. The land tax forms the next branch of productive revenues, calculated to yield annually upwards of 9,000,000 of rix dollars. The income of crown lands and forests, is in the first instance charged with the civil list, and is next appropriated for the discharge of the interest of the public debt. The mines, salt-works and china manufactories belonging to the state, produce near 600,000 rix dollars; and the purchase and sale of salt, which trade is entirely monopolized by the government, forms an important branch of the Prussian revenue, and yields annually 3,800,000 rix dollars. In the expenses of the state, the army figures most prominently, and costs annually near 23,000,000 of rix dollars, upwards of three millions sterling, or about three-fifths of the total expenses of the state, exclusive of the public debt. (See the budget for 1821, page 145.) The civil list in Prussia forms no part of the

public expenditure, but is taken separately out of the revenue of the crown lands and domains.

The Prussian states at present contain about 5014 square German miles, with a population of 10,800,000 inhabitants. The proportion which each Prussian held in the public debt, was estimated to average $17\frac{1}{2}$ rix dollars, his annual contribution towards the payment of the interest being computed at $22\frac{1}{2}$ grosschen.

Bank and Paper Currency.

The Bank of Berlin, founded in 1765, comprises a Deposit Bank, a Loan Bank, and a Bullion Office; it issues notes of from 4 to 1000 pounds banco, an imaginary money, equivalent to $1\frac{1}{4}$ rix dollars currency. These notes have always been paid with the greatest regularity, yet the Prussian government was not at all times capable of guarding this paper circulating medium against the dangers to which it is ever exposed, the capture of Berlin by the French in 1806, having obliged the Bank to suspend its payments, by which, of course, the credit of the establishment was shaken, but full confidence is at present restored.

It was during the war against France that the King of Prussia was induced to issue the paper money called *Tresorscheine*, which at one period suffered considerable depreciation; yet these were in 1811 exchanged against specie at par. In 1812, however, the extraordinary war expenditure rendered it necessary to have recourse to fresh issues of paper, to the amount of four and a half millions of rix dollars, (about six hundred and fifty thousand pounds sterling) under the denomination of *Steuer-Anweisungen* and *Gestempelte Tresorscheine*, but these were called in soon after the peace of Paris, so that on the 17th of May, 1815, there had been cancelled to an amount of 3,623,495 rix dollars.*

The present Bank-notes in circulation, are of 1000, 500, 100, 50, 20, 10, 8, and 4 pounds banco, and exchangeable

* Storch *Cours d'Economie Politique*.

in specie, against $1312\frac{1}{2}$, $656\frac{1}{4}$, $131\frac{1}{4}$, $65\frac{5}{8}$, $26\frac{1}{4}$, $13\frac{1}{8}$, $10\frac{1}{2}$, and $5\frac{1}{4}$ rix dollars, Prussian currency, in the order of each of first-mentioned amounts. These notes are issued in exchange for cash, by discounting bills; or on the security of gold and silver bullion, foreign coins or jewels, deposited in the bank; they are received as cash in payment of taxes and contributions at all the public offices.

The amount of specie circulating in Prussia in 1805, is estimated by Krug in his *Betrachtungen uber den National Reichtum des Preussischen Staats*, at sixty millions of rix dollars, about nine millions sterling; but at that time there was no government paper money in circulation.

To conclude; Prussia, under Frederic the Great, had no foreign trade, nor sought for any; all the views of that monarch were directed to the improvement of agriculture, manufactures, and the trade of the interior. The public coffers supplied the place of public credit, which were filled in time of peace to supply the necessities of war. But already in 1778, the last campaign of Frederic, their inadequacy was apparent, and in less than one year the treasury was nearly exhausted. During the reign of his successor, the treasury was completely absorbed, notwithstanding the subsidies from this country. At present the dominions of the Prussian monarchy are much more extended, but its frontiers are more exposed than ever. The system of its government was never adapted to its distant provinces, nor is it so now. Prussia, on the other hand, by encouraging a free trade, may participate in the general welfare of Europe; and by her own prosperity greatly increase her internal resources; her public credit, already consolidated, is susceptible of further improvement, and may render her independent of foreign aid, yet more than any other continental power, the public credit of the Prussian government is liable to be affected by any war in which she may be engaged with any of her neighbours in consequence of the difficulty of providing for the defence of such an extended line of frontier.

HOLLAND AND THE NETHERLANDS.

HOLLAND, or more properly that portion of the Netherlands formerly constituting the Republic of the Seven United Provinces, still ranks preeminent in point of wealth and commercial importance amongst the nations of the Continent; and although the credit of its government securities has been shaken, and was almost annihilated during the long and disastrous wars in which the nation was engaged, terminating in its subjugation, the government securities of the kingdom of the United Netherlands are only inferior in value to those of this country, and being less subject to fluctuations, are better adapted for permanent investments of capital than most of those which have latterly engaged the attention of monied men; independently of which the large capitals still possessed by the Dutch enables them at this moment to take a considerable share in the financial negotiations of the continent, even as their ancestors of old supported the tottering credit of the most powerful states.

The old national debt of Holland was enormous, in consequence of the expenses which the government otherwise prudent and economical had to incur. In the year 1810 it exceeded 1200 millions of guilders in capital, about one hundred millions sterling, which considering the limited extent of its territory, and the diminished resources of the nation, by the loss of its commerce and colonies, was necessarily more than they could bear; yet it is probable that the government would have struggled long to keep faith with the public creditor; but the establishment of the kingdom of Holland, under Louis Buonaparte, and its subsequent union with the French empire, tended to hasten

a catastrophe which nothing but the most extraordinary circumstances could have averted, namely, the reduction of the national debt.

To trace the history of the debt of Holland, from its origin to the period of its greatest magnitude, would be an investigation both tedious and uninteresting. A country whose very soil is supported by art, contending near eighty years for independence, and since engaged in long and expensive wars, would necessarily require large disbursements, and an extensive system of taxation to defray them; taxes by enhancing prices of commodities and of labour, encrease the expenses for which they are imposed; hence cause and effect successively co-operate in reproducing each other, and in Holland was superadded the war contributions imposed by the French, loss of trade, decay of manufactures, draining of other sources of revenue, and it will not be wondered at that a large debt was contracted and gradually encreased; we shall therefore confine ourselves to the following particulars.

The debt of the United Provinces, it has been seen, amounted in 1810 to about 1200 millions of florins, bearing different rates of interest, from $1\frac{1}{4}$ to 7 per cent. and at an annual charge of about 42 millions, or three and a half millions sterling; this debt was reduced to one-third by Louis Buonaparte, in imitation of what took place in France, and after the incorporation with that country, this reduced debt was about to be inscribed in the Great Book of the French national debt; but this measure was never carried into effect. The present king arriving in Holland in November, 1813, found the public treasuries empty, the dividends a year and a half over due, and considerable arrears in every department of the administration; his first step was to draw a line between the past and the future, in order to separate old claims from those to be newly incurred. The duties called *droits réunis*, were rescinded, the monopoly of tobacco abolished, part of the old system of taxation restored, and the poundage and other assessed taxes retained.

On the 14th of May, 1814, the king presented to the States General, the new law for the regulation of the finances, containing stipulations, 1st. for assimilating the rate of interest upon all the different stocks; 2d for restoring to the creditors the two-thirds of which they were deprived; and 3d. for procuring the necessary funds to carry on the operations of the treasury. (Documents, page 146.) In consequence of this law, the 12 different stocks, bearing interest at the rates of $1\frac{1}{4}$, $1\frac{1}{2}$, $2\frac{1}{2}$, $2\frac{3}{4}$, 3, $3\frac{1}{2}$, 4, $4\frac{1}{2}$, 5, $5\frac{1}{2}$, 6, and 7 per cent. were all converted into $2\frac{1}{2}$ per cent. without occasioning any loss to the holders, in manner as described at page 147. The nominal amount of the debt which still continued as before, though the interest was reduced to one-third, was assimilated in the new great book to its actual amount, and of course also reduced to one-third part; the remaining two-thirds being transferred to the great book of what was called the deferred debt, *uitgestelde schuld*; the former being named actual debt, *werkelyke schuld*; thus entitling every holder of 1000 guilders actual stock bearing interest at $2\frac{1}{2}$ per cent. to 2000 guilders of deferred stock, the interest also at $2\frac{1}{2}$ per cent. only to commence after a certain indefinite period, two millions of guilders being annually set apart from the revenues of the state for the purchase of four millions of the interest bearing debt, to be substituted by an equivalent nominal amount of the deferred stock determinable by lot; every stock-holder being besides held to pay 100 guilders in money for every 3000 guilders actual and deferred stock, thereby producing 28 millions of guilders to the treasury, with which the arrears of interest were discharged. This measure tended to support public credit, and restored order in the finances.

The amount of $2\frac{1}{2}$ per cent. actual stock thus created, was guilders 573,153,530 13 9 capital, about 48 millions sterling, and the deferred stock twice that amount, viz. 1,146,307,061 guilders.

On the 11th of November, 1815, in consequence of the extraordinary expenses incurred by the war incident to the return of Buonaparte in the spring of that year, amounting

to 40,000,000 guilders, a law for determining, amongst others the extraordinary ways and means to meet them was passed, (see Documents, page 151,) by which all taxes of whatsoever nature they might be, with the exception of the land tax, were increased fifteen per cent. for ten years, in order to provide for the payment of the dividends and gradual discharge, within that period, of forty millions of guilders, in bonds of 100 guilders each, bearing five per cent. interest, issued by the syndicat of the Netherlands, to meet the extraordinary charge of that year; and the nation was required to advance, in the shape of a war contribution, an additional amount of direct taxes, equal to what was already levied in that year upon each contributor, in exchange for such bonds, by which circuitous mode of raising what might be termed a forced loan, the sum of twenty-eight millions of guilders was collected, and the remaining twelve millions of bonds were issued by the state in payment of demands upon the government; but the funded debt experienced no increase by that operation, and the two and a half per cent. stock, which during the spring had fallen to 32, rose in the latter end of that year to about 40 per cent.

On the 9th of February, 1818, a further law was passed, (see Documents, page 157,) opening a credit to the king of forty-five millions of guilders to cover the expenses required for completing the fortifications of the frontiers, the amount of the supplementary estimates for 1817, and the expected deficiency in the revenue of 1817 and 1818; (see page 157 of the Documents.) The amount to be raised by further bonds of the syndicat, whereof not more than twenty-five millions of guilders might be issued in 1818, ten millions in 1819, and ten millions in 1820; these bonds were of 1000 guilders each, with interest at the rate of five per cent. payable annually and to be provided for out of the general revenues of the state; redeemable commencing in 1820, at the rate of three millions of guilders per annum, till the first bonds issued by the syndicat should be paid off, after which they are to be discharged by monthly instalments, to be

determined by lot out of the additional 15 per cent. imposed upon all contributions for the payment of the bonds issued in 1815, and which additional contributions are therefore of course to be continued. The three millions annually required in the mean while, and until such contributions would become applicable to the discharge of this second issue, is to be provided for by the sale of national domains.

In December, 1820, eight millions of $2\frac{1}{2}$ per cent. stock was added to the national debt, for the purpose of providing for the deficiency in the receipts of that year; and the total annual charge of the funded debt of the Netherlands, at the commencement of 1821, amounted to about 17,000,000 guilders, as will be further explained in the sequel.

Sinking Fund.

A sinking fund of 2,000,000 guilders annually, was established by the law of the 14th of May, 1814, for the gradual extinction of the public debt, to which such further sums were to be added, as the States General should determine every year, but the mode of operations to be adopted with regard to it, was not then stipulated. This fund was increased in November, 1815, to 2,500,000 guilders, in order, in the first place to raise the amount of deferred stock to be converted into actual stock, to five millions every year; secondly to extinguish besides an equal amount of five millions deferred stock not to be converted into actual stock; and thirdly, for the purpose of supporting generally the value of government securities, by such purchases and operations as might tend to the encrease of the funds in the hands of the commissioners to whom were transferred twelve millions of redeemed deferred stock, on behalf of the sinking fund, besides appropriating all the surplus arising every year from the two millions set apart out of the public revenue after the purchase of four millions of actual debt, and other funds amounting to about one hundred thousand guilders of rentes. The Commissioners of this sinking fund are under the

immediate supervision of the king, and give from time to time an account of their transactions to the States General.

The operation of the sinking fund in the Netherlands, is thus very slow, and does not hold out the prospect of a speedy redemption of the national debt, but it will be perceived, that its object is two-fold, one as regards the present, the other being only applicable to futurity; the first arises from the two millions of guilders originally appropriated to the conversion of the deferred debt into present stock, and supposing that five millions of the former be annually transferred, it will take upwards of two hundred and twenty years to redeem it. But the speedy extinction of the debt is not the object of this part of the plan; it is only intended to secure a partial though small proportion of its redemption yearly, in giving every public creditor a chance of repayment, by transferring his indefinite reversion into an immediate annuity, so that the stock-holder who may be fortunate enough to be drawn, gets rid of his share of the loss attending the reduction of the national debt to one-third, by being immediately restored to his former rights; whilst the other creditors have a prospect of a renewed chance every successive year, by which the value of their stock improves gradually till the whole be satisfied; and in so far the public creditors have received some amends for the sacrifices they were called upon to make in submitting to a reduction of two-thirds of their capital.

The next object of the sinking fund is of later origin, and tends to accelerate the preceding operation. It is entrusted to the same administration, the commissioners employing to that effect the surplus funds above stated, along with other available resources in the purchase of present or reversionary annuities, the former are applicable to further purchases; the latter gives the sinking fund the chance of being drawn for the conversion, in which case the additional funds thus acquired being laid out in purchases, tends progressively to encrease the means of extinction until the effects will be very sensible and apparent.

Floating and other unfunded Debts.

To the old debt of the seven United Provinces, as detailed above, has been added that belonging to the Belgic provinces incorporated with the kingdom of the Netherlands, and outstanding arrears of debts contracted during the French administration, in those provinces, all of which was funded and converted into perpetual annuities, as described at pages 155, 6 & 7, of the Documents.

Amongst the charges annually falling upon the state, but not absolutely forming a part of the national debt properly so called, is the share of the debt contracted in Holland by Russia, payable by the Netherlands, in consideration of the expense incurred by that power, in procuring their emancipation, amounting to 1,443,750 guilders annually, part interest and part redemption of twenty-five millions ultimately to be paid to Russia by the Netherlands, and which debt will gradually be entirely paid off. The life annuities, amounting to about four hundred thousand guilders, form another part of the unfunded debt of the state, and is a charge susceptible of and likely to experience gradual diminution by the falling in of lives.

The interest of securities forms another item of annual charge, independent of the funded debt, and not being redeemable by any financial measure, must be considered in the light of a perpetual annuity to all intents and purposes; it proceeds from the sum of seven and a half millions of guilders deposited by public functionaries into the treasury as collateral security for their good faith, and amounts to 375,000 guilders per annum; however, this sum has served to cover the ordinary expenses of the state, and may therefore be considered in the same light as a loan.

The bonds of the syndicat, whereof 40,000,000 of guilders were created by virtue of the law of 11 November, 1815, and 45,000,000 by the 9th of February, 1818, constitute the only part of the floating debt of the Netherlands; these debt

being however redeemable within a short period, the interest thereon is constantly diminishing, and did not exceed one and a half million of guilders at the commencement of the present year.

Resources and Revenues.

The revenue of the kingdom of the Netherlands amounts to between 72 and 73 millions per annum, about six millions sterling. A statement of the budget of receipts will be found at pages 162 and 164 of the Documents. On the subject of the general resources of the kingdom we can not do better than make the following extract from a work by Count Van Hogendorp, entitled "*Bydragen tot de huishouding Van Staat in het koningryk der Nederlanden.*"

"The Agricultural produce of the kingdom, with what our seas and rivers yield, together with the proceeds of the mines, are amongst the most fruitful of Europe. We possess all kinds of grain, vegetables, and fruit, plantations of flax, hemp, tobacco, hops, and madder; we have extensive woods, timber for fuel in abundance, roads and canals planted with trees; our meadows are covered with oxen, horses, sheep, and hogs; our rivers, lakes, and waters of all kind, abound in fish; and the sea along our coasts yields a bountiful harvest to our mariners; iron ore, pit-coal, stone quarries, pot clay, and turf, are found in abundance. All this produce of our soil yields treasures for our own consumption, and most of them leave a surplus for exportation. It is this superabundant produce, and the demand for the fruits of our land, which encrease our solicitude to perfect them. Hence the great improvements in agriculture, in our fisheries, mines, and fens; hence so many farms, and the great number of families settled in the plains, rendering few countries as populous as our own. Many of our villages are like the towns of other states, and most of our farmers are in easy circumstances, and even in opulence; good morals, and sound health assist the industry of our countrymen, and

amongst them are to be found the bravest defenders of the land.

“ Our manufactures in the most extensive acceptation of the term, as well as the different trades, yield treasures of all descriptions, equally adapted for exportation as for home consumption. These branches of industry originate in the former, namely agriculture: the farmer requires for his habitation, cloathing, fuel, &c. a variety of tools, manufactures and services of all kinds, these are furnished him by the industry of the other part of the nation; the cheaper he can procure them the lower will he be enabled to sell his produce, and the easier will it be for him to compete with foreign markets; but the manufacturer and tradesman not only proffer their articles to the farmer but also to their fellow townsmen, who increase in proportion to the increase of trade, giving rise to our populous and numerous cities, replete with all kinds of industry.”

The permanent annual revenue of the state is divided into four parts, viz. direct contributions, indirect taxes, customs, and incidental receipts; amongst the direct contributions, are included, in the first instance, the land tax for between 19 and 20 millions; next comes the tax on doors and windows, persons and moveables; these were originally estimated at four millions nine hundred thousand guilders, but were increased in consequence of the tax on servants and horses being repealed, as falling too hard upon agriculture and manufactures; the next item in the direct contributions is the *patentes* (trading licences), these were fixed in 1815 for the northern provinces at about 1,300,000 guilders, and estimated in the following year for the whole kingdom at 1,800,000.

The indirect taxes consist in the duty upon salt, soap, weighing duty, dry measure, meal tax, tonnage duty, pleasure boats, &c. comporting 9,504,000 guilders; wines, Geneva, and foreign brandies are estimated to produce together three millions of guilders; the other items of this branch of the public revenue will be found in the budget of receipts in-

serted with the Documents. Next come the customs, or import and export duties, erroneously denominated in Holland *Middelen te Water*, though they are collected on the land frontier as well as on the coast; of these there are three kinds, those known under the name of *Konvoijen en Licenten*, or the old import and export duties, according to the placard of the year 1725; they were estimated at two millions nine hundred thousand guilders in 1815, and at five millions six hundred thousand in 1816, arising from the surplus in the produce of the first mentioned year, from the diminution of charges, from the extension of trade, and the increase of the produce in the southern provinces, three-fourths of this contribution is collected in the northern provinces. 2d. Foreign produce; forming a branch of the first named resource, but was formerly collected separately in each of the provinces; at the introduction of unity in the system of finances and taxation, these provincial contributions were made general throughout the kingdom, yet they nevertheless retain more of the nature of excise duties than of customs; previous to 1815 they were fixed at eight hundred thousand guilders. 3d. Water Tolls. These are the remains of old times and are collected upon the rivers; they were abolished by the French, and were substituted by the more troublesome *droit de navigation*, which were done away with in 1813; they are at present regulated according to the stipulations of the Congress of Vienna, are estimated to produce two hundred thousand guilders annually, and do not fall upon the southern provinces at all.

Miscellaneous receipts include, 1st. the legacy duty in the northern provinces, that of the southern ones being comprised in the next article, its amount for 1815 was only estimated at one million of guilders, and to two millions in the following years. 2d. Domains, stamps, and registration; nine millions four hundred and fifty thousand guilders, including two millions for the revenue arising from domains; before the year 1815 the registration and stamps in the northern provinces were estimated at 2,900,000 guilders.

3d. Post-office. The produce of this branch of revenue was estimated in 1815 for the northern provinces only at 450,000 guilders, and after the union with Belgium at 840,000. 4th, Lotteries. In 1815, 400,000 guilders, after the union 680,000.

Public Welfare.

We resume our extracts from the work of *Count Van Hogendorp*, as calculated not only to throw much light upon the general state of the kingdom of the Netherlands, but as containing observations applicable to other countries.

“ The present form of government was not created at a moment, and committed to paper, but has grown out of fixed principles, which continue daily to be developed. Its foundation is to be traced to the beginning of our history, to the customs and manners of our ancestors, transmitted to us from generation to generation. A prince, general and provincial states, governors of the provinces, knighthoods, city councils, provincial courts, with a high court of appeals, a national militia, and armed associations, are all institutions which under the same denominations we have derived from our forefathers, and which have been restored to us.

“ The first stimulus to industry is in the security of property, giving rise to confidence and to the certainty of enjoying undisturbed the fruits of our exertions ; this certainty is fostered by the moral character of the government, and by avoiding all arbitrary measures ; it was by such conduct on the part of our rulers during two centuries that confidence was inspired in our fellow-citizens, and that foreigners were induced to settle amongst us. All kinds of merchandise were brought to market, undertakings of every description entered into, every trade exercised, and the greatest exertions bestowed on the land, when every individual was certain of enjoying the greatest possible personal liberty—our present constitution has confirmed us in the possession of this boon, and property is further secured by a salutary and uninterrupted system of judicature depending upon the morality of the judges and the soundness of our laws.

“The second means of encouraging industry consists in the dissemination of knowledge : interest is the first principle of action, but opportunities are often wanting for the acquirement of perfection in our pursuits. It is well known what progress the French manufactures have made in consequence of the new discoveries in chemistry, by Chaptal ; and hence every encouragement given to learning by the government will turn to the profit of the revenue. Another way of promoting industry is, for the government to enter into such undertakings which it is not in the power of private persons to embrace ; various branches of trade were formerly considered to be of this nature, particularly that of the East and West Indies, giving rise to the establishment of those companies, which for a time were as states within the state, and which in some degree promoted the general welfare. Those circumstances do no more exist ; the colonies and forensic possessions are under the administration of the king, and he has adopted measures by which they will be governed by the same laws as the kingdom ; industry will in consequence have full play there, and the navigation and trade will be free and open ; one branch of commerce, however, is not susceptible of the operations of private individuals, namely, that with China and Japan ; particular circumstances in the latter country render it necessary that a vessel be dispatched annually by the government of Java. The monopoly established in China for the sale of tea, leads to the alternative of making the purchase thereof through the medium of one party ; hence the establishment of the China Company, whose chief office is at Amsterdam, but in which every individual may participate.”

Expenditure.

The expenditure of the Netherlands was determined for ten years in 1820, forming a budget of ordinary charges fixed at 59,875,052 guilders, but the extraordinary expenses are subject to fluctuate according to circumstances, their

amount being voted for in the deliberations of the States General; they were fixed for the present year at 18,688,856 guilders, besides a vote of credit for incidentals, making the total budget of expenses for 1822, exclusive of said vote, 78,563,908, rather more than six millions and a half sterling.

According to the constitution of the kingdom the concurrence of the States General is required in fixing the expenditure, the amount of which is submitted by the king to the second chamber in their ordinary session. The budget being divided into two parts, the first comprising such ordinary and current expenses as are incidental to the common course of affairs, and having regard particularly to the peace establishment; these expenses being once approved by the States General are subject to no annual discussions for a period of ten years, commencing from the year 1820, and no further deliberations can take place with regard to them unless the king should in the interval give notice to the States that any part thereof has experienced a diminution, or should have entirely ceased.

In adopting this part of the budget the ways and means to provide for it were also voted, which being once determined remain fixed, unless the king should find it necessary to propose a change in any of the items to the chamber.

One year previous to the expiration of the ten years' budget, the new budget for the next period of ten years is to be submitted to the States. The second division of the budget, comprising the extraordinary, unforeseen, and uncertain expenses, particularly those incidental to a state of warfare, are discussed and determined in the annual meeting of the States General; the expenditure of every department of the administration forms a separate chapter in the general budget: the sums voted for one department are solely and exclusively applicable to the expenses of that department, so that no transfer of money voted for one branch of the administration to the other can take place without the concurrence and sanction of their High Mightinesses; the king presents annually to them, through the medium of the

minister of finance, a detailed account of the manner in which the ways and means have been applied.

The civil list is the only item in the budget of expenses which has not been subject to increase in the extraordinary budget of the state, and is fixed at 2,600,000 guilders, about two hundred and thirty thousand pounds sterling. The extraordinary expenses of the home department are as great as those fixed in the ordinary budget for that branch of the administration. The minister of finance has also a considerable extraordinary charge. The ordinary fixed expenditure for the army amounts to 16,677,762 guilders, about one million four hundred thousand pounds sterling, subject to more or less increase in the annual and extraordinary budget. The navy costs the state an annual fixed sum of 5,395,291 guilders, about four hundred and fifty thousand pounds, and is not liable to any great increase in times of peace.

Amount, Management, Payment of the Dividends, &c.

We have seen above that the amount of the interest bearing debt of the Netherlands, as converted into two and a half per cent. stock, was

fl. 573,153,530. 13 9	at an annual charge of	fl. 14,326,838
6,330,000.	of Austro Belgic debt, added by virtue of the law of the 19th Feb., 1818, respecting the funded debt of the southern provinces (see Doc. p. 155.)....	1,582,500
8,000,000.	added by virtue of the law of the 24th Dec., 1820 (Doc. p. 160)....	200,000
	and the annual interest and re- payment of the Russian debt taken over by the Nether- lands is	1,442,750
	adding the interest on the bonds of the Syndicat outstanding ..	1,750,000
	Making the annual interest on the debt for 1822	fl. 19,305,088

or about one million six hundred thousand pounds sterling.

The pension and annuity list amounts besides to about four millions guilders.

The original law for the establishment of a great book of the national debt in Holland, in which were transferred all the annuities due by the government, called at that time *nationale schuldbrieven*, was dated on the 27th of January, 1809, by virtue of which the administrators of the public debt were charged with calling in all the outstanding vouchers of debt for the purpose of being inscribed on the great book after due verification.

The great book as at present established is nearly upon the same principle as that of France; accounts are opened for all stock-holders, transfers made by virtue of powers of attorney, or by the owners personally, and the dividends paid upon the same principle, half-yearly. No particular appropriations have been made for the payment of the interest, nor is there of course a consolidated fund, the necessary means being provided out of the general revenues of the state.

With regard to the deferred stock, otherwise called the dead debt, the drawing of a certain amount thereof for conversion takes place annually, as was seen above, for which purpose lottery tickets are issued, the holders of which when drawn are obliged to furnish along with it 1000 guilders of the deferred or dead stock, which amount is then transferred to them in stock bearing interest at the rate of $2\frac{1}{2}$ per cent. from the time of such transfer.

The dividends are payable half-yearly, namely, on the 1st days of January and July of every year.

In the Appendix at the end of this volume, giving an account of the method of transacting business in the Dutch stocks, will also be found statements of the different foreign stocks as bought and sold in Holland, as well of the loans contracted there as elsewhere.

Bank.

In 1814 a new bank was established at Amsterdam under the name of the bank of the Netherlands. It is not a bank of deposit like the old institution, but of circulation, nearly upon the plan of the bank of England. The grant is for 25 years, and no similar institution is to be allowed within that period.

The original capital was 5 millions of guilders, about four hundred thousand pounds sterling, divided into shares of 1000 guilders each, so that there were in all 5000 shares, and of these the king was always to hold 500. The capital, however, might be doubled whenever the directors should think proper ; and this increase took place in 1819.

This bank issues notes payable to bearer on demand, discounts bills at 5 per cent. per annum, and lends money at the same rate on pledges. It coins money for the state, and deals in bullion and foreign coins, but in no other kind of property.

The management is under a president, a secretary, and five directors, all of whom are paid from the profits of the institution. The qualification of a director is to hold ten shares, and every six months he must go out of office, first by lot, and afterwards by seniority of service, but he may be re-elected immediately. (*Kelly's Cambist.*)

A U S T R I A.

THE history of the Austrian finances is so closely connected with its paper circulation, and general monetary system, that it is impossible to give an account of the national debt of the empire, without entering also into particulars of the Bank-notes, known under the name of *Wiener Währung*; and the following narrative will therefore be found to combine statements respecting them, being derived from the most authentic sources.

Austria had negotiated but few loans from the year 1802 to 1815, in proportion to the exertions made to carry on destructive wars; yet she remained loaded with a heavy debt, the consequence of former contests: the resources of the empire were weakened; the power of the enemy had risen to a colossal height; and it was impossible for the government to raise the necessary supplies by borrowing.

Under these critical circumstances the Austrian government had recourse to an extensive issue of paper money, which by the continuance of a disastrous war shook the credit of the state to its foundation, brought the finances of the monarchy into the greatest confusion, and deprived private individuals of the support necessary to their credit. (In 1771 the amount of bank notes in circulation was 12 millions; cash payments were first suspended by the bank at the end of 1790.) The unfortunate wars of 1805 and 1809 deprived her of several important provinces, and the debt became disproportioned to the contracted means of the government. Bank notes, in which, with very few exceptions the interests of the debt came to be paid, were daily

becoming more depreciated, and in the year 1811, 1200 fl. paper money might be purchased with 100 fl. currency. At that period the government formed the plan of returning to cash payments; the quantity of bank notes in circulation amounted, according to the proclamation of 20th February, 1811, to 1,060,798,753, and of course far exceeding the means of the government to discharge, was exchanged against a new paper money secured upon a special sinking fund, and to be gradually paid off in specie.

The above proclamation contained a scale of the value of bank notes, according to which all private transactions were to be reduced in the new money; the fixed proportions for the value of the old notes in the new paper called *Einlösungs scheine*, which were to be considered equal to specie, were as follows:

For those issued in the month of March, 1799	as	105	to	100
..... 1801	as	114	to	100
..... 1805	as	127	to	100
..... 1807	as	206	to	100
..... January, 1809	as	222	to	100
..... 1811	as	500	to	100

But new difficulties prevented the accomplishment of this plan, and in 1813 government was under the necessity of still further increasing the amount of its issues, according to a proclamation of the 16th April, 1813, by the creation of the *Anticipations Scheine*.

At the end of the last war the amount of paper circulation was about 650 millions, and the funded debt, of which the interest was mostly reduced to one-half, and paid in paper, amounted to 630 millions.

At this juncture, circumstances took a more favourable turn; Austria recovering her political importance, and her old resources, no one doubted her ability and inclination to fulfil her engagements; great difficulties, however, lay in the way thereof, by the changes which had occurred since the original engagements were entered into; sacrifices were

required to restore public credit, and to re-establish the circulation to its natural state. In March, 1815, when the renewal of hostilities called for extraordinary exertions, government made known the course of her future financial operations, by opening a loan of 50 millions guilders in paper money, whereof the interest, at the rate of $2\frac{1}{2}$ per cent., was to be paid in specie, and to which a special sinking fund was attached; 44 millions were subscribed; the loan remained open till the 9th of March, 1816, at which period foreign capitalists, particularly in Holland, shewed a disposition to advance money to the state.

In the beginning of 1816 the *Wiener Währung* (paper money) stood at 370, that is, that 370 florins in paper were worth 100 florins specie in the market, the new $2\frac{1}{2}$ per cent. metallics, computed at the rate of 5 per cent. were worth from 54 to 55 in specie.

In the spring of 1817 important financial measures were contemplated; and a series of ordinances in the beginning of June removed the uncertainty that prevailed, occasioning great fluctuations in the value of the paper money.

The withdrawing and cancelling of paper money by its gratuitous but gradual redemption, was promised, and solemn engagements taken never to have recourse to a forced paper currency in future. And by the establishment of a bank unconnected with the treasury, under the direction of mercantile men, yet open to public inspection, provision was made, as well for the gradual reduction of the paper money, as for the return to circulation in specie upon the old standard, combined with a free paper circulation, exchangeable at pleasure.

The amount of shares were fixed at 50,000, of 200 fl. paper money each; for the bank notes thus paid in, and for the reduction of such paper, government granted bonds bearing $2\frac{1}{2}$ per cent. interest in specie, and the debt of 100 millions thereby created, was to be gradually discharged by the annual payment of 200,000 fl. specie to the bank on the part of government, at the rate of 100 fl. specie for 200 fl. paper.

Every holder of bank notes was at liberty to exchange them to the amount of at least 140 fl. against $\frac{2}{7}$ in new bank notes, and $\frac{1}{4}$ in government debentures, bearing an interest of 1 per cent. in specie; and in order to enable the bank to exchange the notes thus issued against specie, the amounts payable by foreign powers to Austria, by virtue of the late treaties, were placed at its disposal, as also other specific parts of the revenue; whilst, for the gradual redemption of the 1 per cent. debentures, by purchase at the course of the day, a special sinking fund was appropriated.

Sundry taxes were directed to be paid in future, either in specie or new bank notes, and it was enacted, by repealing former regulations, that all contracts should henceforth be made in specie.

It was, however, soon discovered that the means of the government were as yet not equal to the accomplishment of their intentions, and that what could only be the work of time, was not to be completed in a moment. Until the 1st July, when the operations of this *Einlösungs casse* began, the price of paper money continued to advance; on the 2d of that month for 100 fl. specie only 247 fl. paper were given; the rate of interest had so far improved that the 1 per cent. metallics rose to $16\frac{1}{2}$ a 17 per cent. making 5 per cent. stock worth from $82\frac{1}{2}$ to 85: at first the demand for bank shares seemed to be very general, but after the first week in July the prices of the rentes began to fall, paper money became more depreciated, the circulation of bank notes was impeded, old bank notes were presented for exchange against new ones, and against 1 per cent. metallics, and the notes returned immediately to the bank to be exchanged for specie; 52 millions of paper money having been thus paid off, about 13 millions of specie taken out of the bank by returned notes, and the run still continuing, government found itself obliged to defer the further redemption of the paper money, and to seek to effect its purpose by other measures; the *Wiener Währung* fell, in consequence, to its old depre-

ciated value, and the rate of interest on the new stock returned to its former standard.

As matters now stood, it appeared evident that specie could only be made gradually to return into the old channels, out of which it had been forced by the compulsory paper circulation.

To answer, therefore, both ends of diminishing the paper money, and improving the situation of the old creditors of the State, a new loan was opened in October, 1816, known by the name of the *Arrosirungs* loan, having a special sinking fund attached to it, by which for 100 fl. of original 5 per cent. bonds, and 100 fl. in paper, a debenture (*Schuld schein*) for 100 fl. was given, bearing interest at 5 per cent. specie; by this means it was expected that 100 millions in paper would be withdrawn from circulation.

For the purpose of farther restoring public credit, another important measure was adopted in January, 1817, by uniting all the separate sinking funds into one general fund; at the beginning of that year the paper money was at 390 to 400, and the new 5 per cent. metallics at 48 to 50. From this time, however, a gradual improvement in all the pecuniary circumstances of the State may be dated; by an ordinance of the 15th of July, 1817, the National Bank received its definitive organisation. The original plan by which this establishment was to co-operate in the redemption of the paper money was abandoned, and it was in future to serve for the issue of notes, but principally for discounting, and also as a *Girobank*, loan and deposit bank; and by two not unimportant amendments, which could not fail to benefit the interests of that institution, it was determined that the amount of each share should be reduced to one half, but their number doubled. The amount originally promised by the government for the redemption of the $2\frac{1}{2}$ per cent. stock, which by the former plan was to be 200,000 fl. annually, was now increased to 500,000, so that the whole debt would thereby, at the rate of 200 fl. paper for 100 fl. specie, be extinguished

in 36 to 37 years ; the interest was to be continued to be paid on the whole amount until its total extinction.

The sinking fund, which by regulation of 22d January, 1817, was established in lieu of the previously existing separate sinking funds, embraced the new and old debt. This fund commenced operations on the 1st of March, 1817, with a yearly income of somewhat more than three millions, of which about one-third in paper, and two-thirds in currency, increased at the expiration of the first year to 3,679,651, part paper and part specie. On the 28th of February, 1820, bonds to the nominal amount of 10,259,100 in 1, 2½, and 5 per cent. stock metallics, were bought up, and the total redeemed debt, inclusive of what was redeemed by the former sinking funds, amounted to 16,687,700 in bonds. According to the act for the establishment of this fund, the interest on the debt redeemed is to accumulate to the fund, and every new loan or debt is to be charged with a sinking fund of 1 per cent. of its nominal amount. The management is entrusted to a separate body of directors, and half-yearly statements of their proceedings are to be made public. By an ordinance of the 21st March, 1818, the sinking fund establishment received its present form. The operation of the old fund was limited to the new debt, and with regard to the old debt it was settled that five millions should annually be restored to the enjoyment of the original rate of interest payable in specie, and a similar amount be redeemed by purchase on the Exchange; to which effect the sinking fund had a further annual sum of 1,500,000 specie placed at its disposal.

On comparing the amount of the new debt of the year 1818 with the sinking fund attached to it, it will appear to amount to 1-57th of the nominal amount of the debt ; but to these are not added the extraordinary receipts affected to the sinking fund by the patent of 22d January, 1817, expected from the sale of domains.

The new debt receives a regular increase, first by the transfer of the old in government securities, of which the in-

terest is payable in paper money ; so that, at the expiration of fifty years, 250 millions of the old debts will be restored to the original rate of interest in metallic currency ; 2d, by the interest of the sum of 54 millions, originating in loans negotiated in Francfort and Holland, and with regard to which it was stipulated in 1818 that the holders of the securities arising therefrom, who, till then, had only received half the interest in paper money, should be entitled in future to the full original amount of interest, in new bonds bearing five per cent. ; and lastly, by the measures for withdrawing gradually the amount of paper money, occasioning a proportional increase of debt for some years.

On the other hand, it is provided that to every increase of the new debt a proportional augmentation of sinking fund shall be attached. The transfer of the old to the new debt can, therefore, although the nominal amount of the national debt be thereby increased, not be considered as an expenditure of capital, but only as the means to improve the situation of the old creditors of the state ; by this transfer the payment or issues of further paper money is saved. The sinking fund enjoys the interest of the 54 millions above-mentioned, and which are included in the general transfer.

Of the state of the Austrian debt in September, 1819, the following account was given in the public prints.

The debt amounted to a nominal value of 488 millions, of which the sinking fund possessed already as part of its effects, 43,030,000, the interest thereof is affected to that fund ; whilst on 41 millions, it accumulates at a compound rate.

Independently of which, of these 488 millions, 13,048,000 nominal value, have already been redeemed by the sinking fund, and part destroyed. The original 1,500,000 specie annually devoted to that fund for the purpose of purchasing 5,000,000 capital of the old debt, has been increased to two millions.

The new debt, of which the interest is payable in specie, amounted to 208 millions ; taking the $2\frac{1}{2}$ and 1 per cent. stock in the proportion of 5 per cent. Of these 25,380,000

capital has been redeemed, the interest of which at 5 per cent. with the addition of 5,500,000 annual dotation operates upon the whole mass of the new debt, inclusive of the 5,000,000 of the old debt, which, by annual conversion, is to be restored to the enjoyment of the primitive interest.

In the sixth half year, that is, from the 1st of March to the 1st of September, 1819, the annual income of the sinking fund was 8,739,000 specie, 902,000 *Wiener Währung*, and 134,000 in 5 per cent. bonds; of these sums, 2,000,000 specie are affected to the purchase of part of the old debt; the rest, however, belongs altogether to the sinking fund.

Deducting therefore the redeemed debt and the amount of the sinking fund from the total amount of the debt, it will appear that the whole debt was reduced from 488 to 430 millions, and the new debt from 208 millions to 182,600,000.

In the above statement no account however is taken of the 50,000,000 due to the bank; since then the debt has increased by the lottery loan of 20 millions specie, which, however, is to be redeemed by a particular plan in the course of 10 years, as likewise the lottery loan of 37½ millions, redeemable in 1846.

The amount of the sinking fund for the new debt, which at the close of the 4th half year, namely, end of February, 1819, was 73,894,269, was at the end of the 5th half year, or at the end of August, 1819, increased by 7,866,380, in all since 1st March, 1817, an increase of 31,625,022; on the 1st March, 1820, it amounted to 94,234,967, shewing a progressive increase.

The annual increase of the sinking fund for the new debt was, at the end of February, 1819, 6,383,413 fl. 37 kr. specie, and 927,530 *Wiener Währung*, making together, reducing the paper at 250 per cent. 7,100,734, altogether the income of the fund had increased from 1st March, 1817, to 1st Sept. 1820, 4,540,309 fl. 8 kr. specie, and 134,348 fl. in 5 per cent. bonds, and experienced a diminution of 72,701 fl. in *Wiener Währung*. On the 1st March, 1820, the income, reducing the paper money into specie, was 747,733, this income has

therefore also increased progressively, since the augmentation, from the 4th to the 5th half year only was 346,350, from the 5th to the 6th 376,568.

But with regard to the fund affected to the new part of the national debt, which was exclusively devoted to the uninterrupted redemption of the metallic stock, there was redeemed in the course of the 5th half year 8,064,285, and altogether from the 1st of March, 1817, to 1st September, 1819, the sum of 30,285,512 of the above stock was withdrawn from circulation, and in the course of the 6th half year 7,713,169. Towards the gradual redemption of the old debts, the sinking fund now receives annually 2,000,000 specie.

With the half-yearly regular sinking fund affected to the old debt was redeemed, in the 5th half year, 3,807,479 fl. 59 $\frac{1}{4}$ kr. and with the augmentation, which was granted out of the treasury to that effect 1,040,372 fl. 58 $\frac{3}{4}$, together 4,847,852 58 kr. withdrawn from circulation.

In the course of the 6th half year the redemption, with the ordinary resources of the sinking fund, were 3,681,789 of old debt, and with the extraordinary means placed at its disposal 71,151 together 3,752,941 of fl. in bonds, whereof the interest is payable in paper currency.

The total amount of the redeemed and extinguished bonds of the old debt, amounts to 16,801,856, whereof were cancelled in the year 1818 and 1819, 11,163,395.

Circulating Medium.

The amount of gold and silver coin in the Austrian monarchy, previous to the issue of paper money, was estimated at from 250 to 300 millions florins. The amount of paper money in 1815, was estimated at above 650 millions, which at the course of 350 represented 185 millions currency, so that the remaining supply of precious metals must have amounted to from 65 to 115 millions.

Of these 650 millions paper money, there has been paid off since 1816—

1. By the <i>Einlosungs</i> operations at the Provisional Bank establishment in 1810	52 millions.
2. By the <i>Arrosirungs</i> loan.....	128
3. By the deposit for 50,000 shares	50
Together	230 millions.
4. And by the loan of 20 millions, ...	50
	280

Leaving at the period above mentioned, namely the end of 1819, 370 millions paper money, equal in value to 148 millions currency, by which it would require 37,000,000 of currency to make good the deficiency occasioned by the diminution of the paper money.

Although the Austrian paper money be not entirely done away with, yet it is considered that the greatest evils attending a compulsory paper circulation have been surmounted; the steadiness of its course since 1818, affording the best proof that the government has established it on a firm basis.

By the different accounts of financial measures hitherto made known, it appears that the total amount of paper money redeemed since the first of July, 1816, was about 280 millions; should the other operations since undertaken not have produced a further diminution of the outstanding paper money, the quantity remaining in circulation can at the utmost not exceed 370 millions, requiring at the course of 250 about 148 millions to redeem.

Ever since the commencement of 1820, all large mercantile transactions and purchases of landed property have been made in *Conventions Munze* (specie), or in Bank Notes. The various duties were stipulated for in that currency, and the forced paper medium was only used for the purchases of daily necessities of life, for the payment of labourers wages, and some specific taxes.

The remaining quantity of paper money is not considered so large as not to leave strong hopes of its being entirely withdrawn in a few years, and the gradual recovery of the necessary quantity of precious metals to reduce the circulating medium to its proper level, does not appear a matter of insuperable difficulty; the produce of the silver mines belonging to Austria is large; a considerable portion of the still circulating *Einlösungs Scheine*, can be easily replaced by a paper which, without possessing the properties of currency, may facilitate the further operations of the Treasury; added to which the National Bank, and the growing credit consequent upon that institution, will render any further sacrifices it may still be necessary to make for that purpose much lighter.

The advantages of the Bank to the public have already been developed to a great extent. The rate of discount which under circumstances of scarcity was frequently as high as 8 to 10 per cent. was fixed in 1819 for bills at 5 per cent. and for deposits of gold and silver only at the rate of 3 per cent. per ann. is charged. The bank shares which at the commencement were at 400 and even lower, paid from the latter end of March, 1818, to March, 1819, a dividend of 47 fl. or about $11\frac{3}{4}$ per cent.; these shares during 1819 fluctuated a great while between 500 and 572, rose at the beginning of 1820 to 600.

On comparing therefore the state of affairs in Austria, as they were in 1815 to 1817, with the present, it will be seen that extensive improvements have been operated even in that short period. The Austrian government had of all others the greatest difficulties to contend with, and those even unacquainted with the resources of that government, consider that order and regularity prevail throughout all the financial departments of that empire, from what has already taken place; and it appears generally understood that the revenue is not only adequate to the expenditure, but that the government has the means to complete the final extinction of the paper currency, and the gradual redemption of the out-

standing debt. The amount of the debt bearing interest in January, 1818, estimated at about 500 millions, is diminishing annually $\frac{1}{30}$ as 5 millions are redeemed at the market price and a like sum of metallics is transferred; the sinking fund for the metallics amounted according to the best information in the spring of 1818, to $\frac{1}{37}$ of the nominal amount; it encreases by the interest on the redeemed bonds, has other extraordinary resources appropriated to it, and cannot be diminished by any augmentation which this debt may receive by transfer of the paper bearing interest debt into metallics, and by further loans which may be necessary for the extinction of the paper money; since to every encrease of debt is connected a proportional dotation to the sinking fund; and according to recent statements, it appears that the proportion this fund bears to the total amount of debt has become much more favorable. It would thus appear that Austria is making more rapid strides even than England and France in the emancipation of its future resources from the load and pressure they experience by the claims of national creditors. The improvement in the value of the paper money must also have occasioned a real advantage to the treasury, since the taxes are paid in a more valuable currency which is tantamount to an increased taxation, and that a considerable portion of the expenditure is not fixed but is regulated by the money prices of commodities.

The progressive redemption of the paper money will render further regulations with respect to the old creditors of the state necessary; what has hitherto been done for those who have received their interest in paper money, is considered as the least of the benefits which they have to expect; it is supposed in consequence that the regulation of fixing the value of the paper money, will be productive to the old creditors of the state of advantages in a different way. In general the economical situation of the Empire is such as to fill the creditors with a well founded hope of the further gradual improvement in all those concerns on which the credit of the state mainly depend.

As rich in natural resources as any other country, their developement in all parts of the monarchy have not reached that pitch at which it becomes difficult for the wisdom of the government or the industry of the productive classes to find new sources of wealth within themselves.

The operation of the Austrian States, to restore its currency in the summer and autumn of 1818, produced a sensible effect upon the middle and western parts of Germany. Francfort became the centre of these operations, from whence for a great while considerable consignments of gold and silver were made to Austria, in order to fulfil the engagements which the contractors for the loan called metallic had entered into.

Bank.

The Austrian National Bank has, 1. a discount establishment for Bills of Exchange. 2. A *Girobank*. 3. Issues Bank Notes. 4. Takes deposits, and 5 Lends Money.

The notes in circulation are of 5, 10, 25, 100, 500 and 1000 florins; private individuals are not obliged to take them; but in all public transactions they are received in payment at their full value.

The Bank has branch establishments at Prague, Brunn, Ofen, Lemberg, Linz, Gratz, Trieste and Milan.

The capital of this Bank consists of 100,000 shares, for each of which was paid 1000 florins paper money and 100 florins in coin called *conventionsmunse*; the paper money thus paid was delivered to government, who gave in exchange bonds bearing an interest of $2\frac{1}{2}$ per cent.; these are redeemable by payments to the Bank at the rate of 50 florins in coin for every 100 florins in paper, by annual instalments, which commenced in the year 1817, with 200,000 florins; and since 1818, with 500,000 florins yearly; to be continued until the whole shall be paid off; but after about 50,000 of those shares were disposed of, government in the year 1820 took over the remaining 50,000, by which the actual capital of the bank was brought to 10,000,000 florins, without reckoning the amount transferred to government.

The amount of discounts in 1818, when 22,985 shares had been disposed of, was 29,173,818 florins, and the profit 234,988 fl.; and in 1819, when 50,621 shares were disposed of, 23,976,603 fl. with a profit of 166,633; independently of bills of exchange, the bank also discounts dividend warrants, government debentures and securities of acknowledged value; they also took over in 1819 several deposits paid in on account of sales of Imperial domains, but which in case of non fulfilment of the instalments when due on the part of the purchasers are made good by the treasury; and lastly, the bank issues orders upon the places where they have established branch Banks, for which a commission is charged, occasioning thereby a saving to the parties in the transmission of funds from one place to the other.

The issues of Notes against Coin in 1819, were	17,318,895 florins.
And the amount of Notes re-exchanged for Coin Bullion	7,308,715

Making an increase in the supply of Bullion that year of 10,010,180

The loans upon deposits in 1818 amounted to 13,648,900 fl. but in 1819 the Bank advanced 39,170,500 fl. upon securities worth 87,974,555; the balance of advance at the close of that year was 15,774,200, for which securities to the amount of 36,461,528 were held.

Advances were originally made, 1 upon gold and silver bullion, bars and jewellery. 2. On inland government securities, whereof the interests are paid in coin. 3. On landed estates; the chief advances are upon government securities since of 34,388,400 fl. added in 1819 to the 4,782,100 balance of 1819, not less than 32,720,000 fl. were upon them; the advances however upon them must not exceed two-thirds of the current value of the securities; should these securities fall to three-fourths of that current value, the parties borrowing must furnish the next day additional security, in default of which the pledges are immediately sold; since the 15th of March, 1819, advances were also began to be made upon government securities,

whereof the interest is payable in paper money; in the course of 1819, the rate of interest upon advances, which were not to be made for a period exceeding three months, was reduced from six to five per cent.

The Cash on hand of the Vienna Bank on the 31st of December, 1818, amounted to	23,314,026
That of the Branch Banks to	9,162,267
The Receipts in 1819	118,828,108
	151,304,401
The disbursements were	102,030,166
Balance in hand, 31 Dec. 1819	49,274,235

The total amount of notes in circulation was 220,858,274 florins, about 22 millions sterling.

Out of the net profits are paid, in the first instance, the customary dividends of 30 fl. per share; half of the remainder is also divided amongst the proprietors; whilst the other half is laid by as a fund of reserve, half of which, at least, must be laid out in government securities, of which the interest is paid in metallic currency.

The Receipts and Disbursements of the Bank as calculated in 1819.

Balance of profit on 31 Dec. 1818	fl.	10,787	7½	k
Amount of Discounts		166,632	46	
Interest on loans		662,478	46	
Interest on government bonds		831,182	31	
Profits and Commission		38,536	40½	
Interest on the reserve fund		14,397	30	
Interest on the paid up Dividends		34,630	56½	
	Total	1,758,643	17½	
Deducting the amount of Bills due in 1820		106,608	36	
Leaving a profit of		1,652,034	41½	
Out of which is to be paid				
1. For management	70,827	34		
2. Dividends on the shares at 30 fl. per share	1,088,698	50		
3. Surplus on the shares deferred to 31 March, 1819, 30 153 ..	241,224			
		1,400,750	24	
Accumulation to Reserve fund	241,224			
Undivided profit postponed to the next dividend	10,060	17½		
Making together the above		1,652,034	41½	

K

On the last day of June, 1820, the Directors of the Bank published their statement for the first six months of 1820, according to which the sum of 1,116,490 fl. 53 $\frac{1}{4}$ kr. was to be divided amongst the share-holders, namely 44 fl. on 55,624 shares is 759,345, transfer of profit for the 2d half year, 1820, 357,175 53 $\frac{1}{4}$, together.

The dividends, on the shares of which the original value, (taking paper money at 250 fl. for 100 fl. currency) of 500 fl. amounted to 38 fl. or 7 $\frac{6}{10}$ per cent. and adding the encrease occasioned by the reserve fund, to 9 $\frac{2}{7}$ per cent.; at the close of 1819 this fund amounted already to 51,647, occasioning an actual increase of 10 fl. in the value of each share.

The profits of the Bank, in 1821, were 3,061,000 florins, leaving, after paying all charges, a reserve fund of 2,055,000 fl. currency, to be divided amongst the share-holders.

Sinking Fund.

The following notices of the operation and amount of the Austrian sinking fund, are extracted from a pamphlet published by Von Gentz on the subject of the finances of that empire, and furnishes the best account which in their present complicated state we have been able to collect.

“ The determination to withdraw the paper money, without either inconveniencing individuals or exposing the state to the dangers incident to violent measures, having rendered an increase of debt inevitable, also created the necessity of giving it a counterpoise; and hence the administration of the finances directed their attention with as much zeal as success to the accomplishment of this object. The means adopted for the regular extinction of the interest bearing debt, are established upon a broad basis, and are calculated to produce sensible effects at no very distant period.

“ The first loan opened by the present administration in 1815, for an amount of 50 millions at $2\frac{1}{2}$ per cent. interest in specie, (the funds for which were furnished in paper money) was accompanied by a sinking fund of 300,000 florins annually.

“ The obligations, bearing 1 per cent. interest, issued by virtue of the *patente* of the 1st of July, 1816, for the reimbursement of the paper money, gave rise to another sinking fund of 800,000 florins; the system of repayment, of which these obligations formed a part, having been abandoned, only 35 millions of florins thereof were issued; in comparison to which the sinking fund of that loan was considerable enough to redeem them in a very few years.

“ By the *patente* of 29th October, 1816, respecting the *arrosirung* loan, a sinking fund was constituted, fixed at 1 per cent. on the principal of the sum raised, and which of course would increase in proportion with that loan, besides the accumulations arising from the interest of stock purchased. This fund was formed upon the same principles and in a similar proportion to those of England and France.

“ Lastly, a few months later, the ministry of finances adopted a decisive measure towards the final accomplishment of its views, by uniting into one mass all the means hitherto appropriated to the redemption of the various debts, and entrusting the management thereof to one body; a general sinking fund embracing the whole of the debt was established by the edict of the 22d of January, 1817; the different amounts appropriated to the redemption of the loans of 1815 and 1816, were united to that fund; besides which a disposable income of about one million in paper money, proceeding from a former sinking fund, relinquished in consequence of the misfortunes of the times, was assigned to it; and the proceeds of the sale of a certain number of estates of the crown were equally destined to form its dotation. It was announced at the same time, that in proportion to the encrease of the public debt (an increase which the proposed redemption of the paper money led to anticipate) this fund

would be augmented, and, besides that the interest of the purchased debt should regularly accumulate with it; a separate administration was appointed to manage the affairs of this fund, under the immediate inspection of a distinct and independent committee, who were to report upon their proceedings half yearly to the Emperor; an account of their transactions being also laid before the public.

“ This fund, which may be considered as a consolidated sinking fund, commenced operations on the 1st of March, 1817, with an annual income of more than 3 millions of florins, of which one third was paid in paper money and two thirds in specie. It appeared by the account rendered on 28th of February, 1818, that the sinking fund possessed at the end of its first year a revenue of 3,679,651 florins. It had bought in at that time 10,259,100 florins of obligations (commonly called *metallics* to distinguish them from those whereof the interest is paid in Bank notes,) which added to the amount purchased prior to the union of all the sinking funds, make the diminution operated in two years upon the principal of the public debt, amount to 16,687,700 florins.

“ A subsequent regulation, announced by the edict of the 21st of March, 1818, relative to the old debts of the state, has perfected and strengthened this system of redemption, by confining its operations altogether to the new debt, on which the interest is payable in specie, and adopting other measures for the successive discharge of the old debt; according to this new arrangement, this debt, the principal of which amounted to 300 millions of florins, whereof the interest was paid in paper money, according to the reductions adopted in 1811, will by degrees be brought back to the original rate of interest in specie, by determining annually an amount thereof, not less than 5 millions, to be decided by lot, which is immediately to be restored to the former rate, whilst in order to counterbalance the additional charge incurred by this operation, an equal amount of capital stock is to be bought up every year, and ultimately cancelled; for which purpose the sum of 1,500,000 florins in specie is annually

assigned to the sinking fund, in addition to those already appropriated for carrying on its regular operations.

“ By such an important measure the old debt of the state has been completely separated from those contracted since 1815 for the gradual extinction of the paper money, of which the interest is entirely paid in metallic currency. The redemption of the former is produced by the simple disbursement of 1,500,000 florins annually; and the operation of the consolidated sinking fund is confined to the debt called metallic.

“ To form a clear idea of the efficacy of this fund, it is necessary to compare the extent of its present and future means, with the amount of debt for which it is to provide.

“ Loan of 1815, at 2½ per Cent. 44,410,900, which reduced to the rate of five per Cent. interest.....	22,205,450
Obligations at 1 per Cent. interest, issued by virtue of the Patente of the 1st of June, 1816, 34,882,700 florins, reduced to the rate of 5 per Cent. are.....	6,976,540
<i>Arrosirung</i> Loan, of the 29th of October, 1816. Bonds bearing 5 per Cent. interest.....	128,778,330
Adding the loan of 16th May, 1818	50,000,000

Total amount of metallic debt reduced to 5 per Cent. Stock 207,960,290

“ We have seen, that the sinking fund acting upon this debt, possessed on the 28th of April, 1818, an annual revenue of 3,679,651 florins; one million of which being in paper money (equivalent to 400,000 florins effective) constituted an actual income of more than 3 millions, to which adding 500,000 florins increase for the last mentioned loan, makes a total amount (independently of 1,500,000 for the old debt,) of 3,500,000 annually; according to the latest accounts of the public debt in France, it amounted to 4,000 millions francs (200 millions of rentes) its sinking fund, exclusive of the proceeds of the sale of woods, is 40 millions, being $\frac{1}{100}$ of the capital. The public debt of England is 800 millions sterling; the sinking fund is estimated at about 14 millions, which is about $\frac{1}{57}$ of the principal. The sinking fund established in Austria, without taking into consideration the accession expected by the proceeds of

territorial domains, actually possesses 3,500,000 florins of annual income, being also $\frac{1}{37}$ upon the amount of its debt of 200 millions, so that the proportion between the sinking fund and the debt is the same in Austria as in England, and double that of France.

“ Whatever augmentation the public debt may still experience by the reduction of the paper circulation, the proportion which we have indicated can never vary, since according to the established principle, and which has been strictly adhered to hitherto, it would always be accompanied by a proportionate encrease of sinking fund.

“ The above statements sufficiently evince the perseverance with which the financial administration has exerted itself in Austria, to improve the monetary system and to restore public credit. The following recapitulation will make known the difference between her actual situation now, and at the termination of the war, to which we shall add such facts which have not found a place in the above.

“ 1. From the 1st of July, 1816, to the May, 1818, Bank Notes to the amount of 180,000,000 have been taken out of circulation and publicly cancelled. The intrinsic value of these, scarcely equal to 30 per cent. of their nominal amount, has risen to 40 and upwards, and if important considerations, resting upon the dangers of producing a too sudden change in the monetary system had not restrained the government, nothing would be more easy than to produce a still greater improvement in the value of the paper currency.

“ 2. The old debt of the state, estimated at 500 millions capital, is established upon the principle that in the course of fifty years at furthest, and supposing that no change take place in the present measures, it will be reduced to one half of its present amount, whilst the creditors for the other half will be restored to the enjoyment of the primitive rate of interest. This arrangement is considered by the administration itself as the minimum of the benefits to accrue to the old creditors of the state.

“ 3. A part of this old debt, 54 millions of capital, arises from loans, for which the Austrian government had entered into private engagements with mercantile houses of Amsterdam and Francfort. The minister of finances has declared that the holders of stock of those loans, the interest upon which has hitherto been paid in Bank Notes, upon the footing of the reduction of 1811; shall receive in future the amount of interest originally stipulated, upon condition of their accepting in payment obligations in 5 per cent. metallic. This measure, the particulars of which were communicated in a circular addressed to the foreign merchants, and the effect of which has been to occasion a rise of 100 per cent. within a few weeks in the prices of these obligations, is so ingeniously contrived, that at the same that it conferred a considerable benefit to the creditors, it materially relieved the operations of the treasury, and furnished additional means to the sinking fund.

“ 4. The new debt contracted since 1815 amounts (reduced to the rate of 5. per cent.) to 208 millions, of which 22 millions are the result of the loan of 1815, and 136 millions proceed from different operations for the repurchase of paper money and old obligations. This accession of debt is counterbalanced by a well constituted sinking fund, organised upon the best principles, and conformably to a system, the advantages of which, either in producing a diminution in the burthen of the present debt, or in supporting the value of the public securities, are sufficiently established.

“ 5. At the beginning of the year 1817 the price of 5 per cent. bonds was 46 to 48 per cent. they have since reached above 70. The loan of 50 millions was contracted for at 70 per cent. and only costs the state an interest of 7 per cent.; with the exception of England, no government has borrowed money upon more favorable terms for many years.

“ Finally. Whilst public confidence was thus improving the Bank, an institution equally advantageous to private credit, as to trade and to the circulation of money, has entered into full activity. The plan according to which

this Bank is to co-operate directly in withdrawing the paper medium, not having been carried into effect, it has been established upon a system purely commercial, upon principles sanctioned by the example of the most approved institutions of the kind, intended chiefly for the purpose of discounting commercial Bills at a period when the value of money was very high; and by taking discounts at the moderate rate of 5 per cent. it has rendered essential service even to those who had no immediate transactions with it. Its notes are regarded as ready money, and are not only taken, but eagerly sought after by the public, and giving publicity to its annual accounts, will tend to preserve confidence in its operations."

On referring to the above statements, which are more of the nature of an unconnected narrative than of a perspicuous account of the Austrian finances, we cannot but be impressed with the consciousness of the very imperfect idea it conveys of the subject we had undertaken to explain; but the nature of the materials we had at our disposal scarcely admitted of a more satisfactory result. We have omitted the details of the measures adopted by the Austrian government, for the improvement, or more properly for carrying on their financial operations previously to the period at which our narrative commences, as not being calculated to throw any light upon their present state. The facts of the pulpits throughout the Austrian dominions having become in the earlier periods of the French revolution, as it were, the organ of the treasury, from whence the people were exhorted to furnish supplies in money to the government; the losses sustained by private individuals in consequence of their guaranteeing, the regularity of the payments of the Exchequer; the means resorted to by the French during their invasion of the Austrian dominions, to procure the necessary supplies for the armies, by circulating forged Austrian Bank Notes, are subjects of painful notoriety and belong to history; but we deduce the following conclusions from the foregoing and other information.

1st. That of the sum of 488,000,000 florins, (about forty-eight millions sterling, composing the old debt of Austria,) 63,015,356 had been redeemed, the interest of which is cumulatively employed for the benefit of the sinking fund; this interest increases every successive year, by the transfer of 41,000,000 of these funds as they are drawn in the lottery established for that purpose; the dotation fixed at 1,500,000 florins, about one hundred and fifty thousand pounds sterling for operating a diminution of 5,000,000 annually to alleviate the public burdens, has been raised to 2,000,000.

2d. That of the sum of 208,000,000, (about 20 millions sterling) of the new debt, including the $2\frac{1}{2}$ and the 1 per cent. stock, reduced at 5 per cent. there have been redeemed 28,938,657 of capital at 5 per cent. the accumulated interest of which, added to the dotation of 5,000,000, annually operates upon the mass of the new debt and upon the portion of the old debt, which has been assigned in cash, at the rate of 5,000,000 annually.

3d. That the total of the sinking fund, dating from the ninth half year, (August, 1821,) presented a capital of 121,955,473, 2,000,000 of the interest of which, are employed for the alleviation of the public burdens, and all the rest for the benefit of the sinking fund. That the total debt in circulation, a reduction of the redeemed capitals being made, amounts to

Old debt	424,984,644 florins, ...	or about £42,000,000
New debt, amount above	208,000,000	
Add the lottery loans		
of 1820, 20,000,000		
37,500,000		
	57,500,000	
	258,300,000	
Of which redeemed	28,938,657	
	Remains	229,361,343 or about 22,400,000
	Together	654,335,987
		£64,400,000

Independently of 420,000,000 guilders in paper money, for the reduction of which the lottery loans of 1820, together 57,500,000 florins were raised, fifty millions of the first mentioned sum has been already comprised in the dotation of the national bank.

With regard to the paper currency, its course has remained nearly stationary at 250, that is, 100 florins in specie are equivalent to 250 in paper, the Bank taking it at that rate.

The Austrian national debt, consisting of obligations or government bonds, at 1, $2\frac{1}{2}$ and 5 per cent. interest, have half yearly dividend warrants attached to them, the interests are payable at Vienna, at the periods on which they fall due, without any specific time being fixed for the simultaneous discharge of the whole.

Connected however with the debt of the Emperor of Germany, are the loans contracted in this country to the amount of £7,500,000, and guaranteed by our government; not having become the subject of any particular treaty between the two countries, it forms with the dividends which have been paid upon them, a part of the Austrian debt, though unnoticed in any of the official financial accounts of that government.

Of the annual expenditure and resources of Austria, we have no official accounts, the latter are generally considered, in times of peace, sufficient to cover the former. Austria is wealthy in the produce of her soil; and possesses the richest silver and gold mines in Europe.

N A P L E S.

THE financial history of the Neapolitan States, exclusive of the Island of Sicily, has been furnished in a report made by the Minister of Finances to the National Parliament on the 9th of December, 1820, (see Documents, p. 203); though involved in considerable intricacy, it affords a more general view of the debts and resources of the State, than under any other circumstances, the report having been drawn out when the nation had a representative government, could have been expected. Similar public documents being, since the restoration of the old order of things discontinued, it will form an epoch in the history of that country, and will no doubt be referred to with interest, should we be deprived for any length of time of data, whereupon to establish estimates of the resources and national wealth of a country, which, under a liberal form of government, is susceptible of considerable improvement.

The report in question presents an account of the income and expenditure, with a statement of the national debt on the 1st of July, 1820, and was intended as the basis whereupon to found an estimate for the budget of the following year. We shall here recapitulate its principal contents, referring for more particulars to the document itself, and adding such further information and notices as we have been enabled to collect from other sources, or as will be elicited in the course of our narrative.

It appears that in conformity with the system adopted in France, but which was only a modification of the plan

pursued in this country, a Great Book of the National Debt was established in Naples during the reign of Joseph Buonaparte, and that in May, 1815, the amount of rentes, or perpetual annuities, did not exceed 940,000 ducats, about one hundred and sixty-four thousand pounds per annum, and that to this sum was added, by the conversion of pensions and life annuities, an amount of 480,000 ducats annuities, making the total amount of consolidated debt of the kingdom of Naples on the 1st of July, 1820, 1,420,000 ducats per ann. or two hundred and forty-eight thousand pounds sterling, which represent at 5 per cent. a capital of 4,960,000 pounds sterling, of which it was computed that not more than 1,235,854 ducats per annum, was subject to daily transfers, or negotiable. However, the great book in Naples includes also various pensions and annuities, which being inscribed in the same manner as the other debts of the state, constitute a part of the annual charge, without actually forming what would in this country be considered in the light of a national debt; the distinction, however, is obvious, and is not sufficiently attended to abroad, yet the nature of engagements arising from a debt contracted by money borrowed, and those incurred by the grant of pensions and annuities, often conferred gratuitously and revoked arbitrarily, is so different as scarcely to admit of comparison; and it may become a question of importance at some future period, whether the late commutation of pensions and annuities into an integral part of the public debt of this country, was not an infraction of the implied understanding existing between the public creditor and the nation.

We thus find in the abstract of the Neapolitan great book, under the head of CONSOLIDATED DEBT, (Documents, p. 222), in addition to the 1,420,000 ducats rentes, stated above, sundry pensions inscribed on the 1st of September, 1820, to the amount of 1,446,675 ducats rentes, of which upwards of 200,000 ducats were obtained avowedly as matters of favour, *pensions de grâce*, constituting at the period above mentioned, an annual total charge, including manager-

ment, of 3,000,000 ducats, or five hundred and twenty-five thousand pounds sterling. Of the annuities however, it is said, that a portion must be falling in every year. The suppression of the monasteries, which created 600,000 ducats for the support of the monks and the retirement of civil and military officers, is the cause of this amount; and the sums falling in from this source are appropriated to the sinking fund for the purpose of the redemption of the national debt, as will be more fully detailed when treating upon that subject.

The above amount of three millions of ducats rentes formed therefore what was then considered the consolidated debt, constituting one of the four parts into which the financial administration of the kingdom was divided; the second consists of sundry outstandings under examination, for arrears of debt due; in the first instance, to old creditors of the state, whose claims had from various causes not been decided upon; secondly, of creditors of the Royal family, previous to the year 1816, and also a number of other claimants, the total amount of which debts was estimated at 356,277 ducats rentes; and here it is necessary to state that in the official printed financial report which has reached us, and whereof a literal translation will be found under the head of "*Documenti Naples*," further on in this work, sundry typographical errors in sums stated and additions have been noticed, which for the sake of accuracy have been copied in our translation; they do not however affect the general results herewith presented to our readers.

The third division falls under the head of what is termed the debt of *Comptabilité*, and comprises balances and sums due for warlike and other stores, unpaid for, and furnished to the government, under the rule of Joseph Buonaparte and Joachim Murat, which being divided into five classes, constituted a total amount of debt of 2,815,647 ducats; also various arrears under the different denominations of litigated accounts, administrative accounts, treasury, bank, discount fund, *caisse de service*, reserved duties and mint, all of which

are so fully detailed under their respective heads, that we shall not repeat them here, but refer our readers to the particulars conveyed in the documents:

The fourth and last part comprises the ways and means for the discharge of the public debt, and is on that account of the most importance; it furnishes us with the following particulars.

One-tenth of the principal of the direct and indirect contributions, which in the budget for 1821, were estimated at 14,176,635 ducats, and the proceeds of the drawback of $2\frac{1}{2}$ per cent. to which all civil and military salaries are subjected, were assigned by the laws to the payment of the interest on the consolidated debt, the first sum would thus be

	Ducats 1,417,663
The latter we find estimated in the Budget (Dec. page 227,) at	150,000

Making an aggregate of Ducats.....	1,567,663
But it will appear that this amount was insufficient, hence the deficiency was obliged to be made good out of the general resources of the state; however in order to keep the consolidated fund independent of the treasury, it was proposed to appropriate in future to that fund,	
The revenues of a national demesne called the Tavogliera di Puglia, estimated at	600,000
The duties on tobacco and playing cards	100,000
And to supply the deficiency out of the produce of the tax on salt or any other resources to the amount of	700,000

Together Ducats 2,967,663

which constitutes the total amount of the fund specially affected to the payment of the interest on the public debt.

Political events have however in some measure frustrated the original intentions of the minister of finances, by encreasing the national expenditure, at the same time that the ways and means experienced a diminution from the same causes.

For the payment of the expense incurred by the army of occupation, an addition to the national debt was made in April, 1821, by a loan to the amount of nine millions of ducats, occasioning an encrease of 450,000 ducats of annual expenditure; for the security of the contractors and the liquidation of the debt, the present government assigned

certain domains, the value of which is equal to the capital advanced, and the rents are equivalent to the interest to be paid; these are to be annually sold in the proportion of five per cent. on the amount of the interest on annuities created, thus forming a fund for the liquidation of the capital.

In November, of the same year, a further loan, being rather an extension of the former contract, to the amount of 8,640,000 ducats, or 432,000 ducats rentes, was agreed for upon the same principle of repayment as the first; both these loans were said to have been concluded at 60 per cent. and the money to be paid in twelve monthly instalments.

It follows therefore that the amount of the consolidated debt, which as stated at page 222 of the documents, was on the 1st January, 1821,

	3,000,000 ducats per ann.
experienced in the course of last year an increase of	882,000 ,,
and requires at present an annual charge of.....	<u>3,882,000 ducats.</u>

or about six hundred and seventy-nine thousand eight hundred pounds sterling; a nominally small amount when compared with the debt of other countries, but which, added to the other expenses of the state occasions, as we shall find, an excess of charge over the ordinary annual receipts.

Sinking Fund.

This branch of the financial system of the kingdom of Naples, appears to have been conducted upon the same principle as the old sinking fund of France, namely, diverted to other objects, the funds composing it, must have been advanced to private individuals, or derived from sources not legally applicable to the purpose; but it is not easy to understand the statement of the minister of finances upon this subject; that the funds of a similar establishment should be diverted from their original purpose, would be no matter of surprise, but how a sinking fund should become insolvent,

as appears to have been the case with the Neapolitan one, requires some explanation; yet it is asserted in the statement before us, that the assets of the sinking fund were not sufficient for the payment of its debts, and it is further added that when on the 1st of January, 1817, the sinking fund was liquidated and submitted to a new system of operations, it was indebted in the sum of about 545,000 ducats; hence we find that the sinking fund, figures in the general finance account, as a creditor of the state for the sum of 1,465,059 ducats, whilst its disposable assets did not exceed 650,969 ducats; the recovery of a sum of about 2,400,000 ducats due to the fund being deemed doubtful, it was therefore proposed to incorporate this fund with the consolidated fund, giving the management to the directors of the great book. It is necessary to add, that the system of the sinking fund seems to have been originally founded upon the profits arising from what was called the "Monte Multiplico," a survivorship fund, increasing by the falling in of pensions granted to life annuitants and others, which was to have been employed in the purchase of rentes, the accumulation of which added to the gradual increase of the fund itself, would, it was calculated, extinguish the greatest part of the consolidated debt in the course of 37 years; that this plan was however not conformed to, is evident, since the whole amount of inscriptions on the great Book, on account of the sinking fund on the 1st of January, 1820, was only 772 ducats rentes.

On the 26th of November, 1821, a decree for regulating the appropriations, &c. of the sinking fund was passed, from which it appears that the following resources were to be exclusively appropriated to the extinction of the public consolidated debt.

1. The Exchequer of Puglia, with all its dependencies, and the arrears of contributions, whether ordinary or extraordinary.

2. The disposable effects, funds, and revenues, dependent on the general direction of the public domains.

3. The funds of the administration of property at the King's disposal.

4. Those appropriated to the state.

5. The produce of the property and revenues of the Monte Borbonica.

6. The property, debts, and revenues existing, or to fall in to the Royal Treasury.

But on the 27th of the same month, an enactment was issued, confirming the above appropriations, yet deducting whatever funds it might be deemed advisable to except, and specifically excluding, for the present, the exchequer of Puglia, estimated at 600,000 ducats annually, and directing that the disposable effects and revenues assigned by the former decree to the general administration of the sinking fund, should be alienable by means of the payment of the value in inscriptions on the great book of the public debt, to be transferred to the said administration, and the produce allotted to the extinction of the public consolidated debt; and it was further enacted, that independently of the above there should also be applied to the uses of that institution;

The funds of the Monte Multiplico, and

One-fifth of the annual territorial contribution of royal domains on the Naples side of the Pharo, to be from the 1st of January, 1822, deposited with the administration by the receivers of the tax.

But at Naples as well as in Russia, and in some other countries, it appears that the administration of the sinking fund is also entrusted with the entire management of the debt, that by "the extinction of the public consolidated debt," is understood the payment of the dividends, and that therefore the effects and revenue above stated, were intended to meet them. Since in the 4th of article of the enactment of the 27th of November last, we find that the general administration of the sinking fund was to transmit to the general direction of the great book on the 30th of June and 31st of

December, *the sum arising from all funds assigned to it, for the half-yearly payments of the public consolidated debt, the treasury supplying any deficiency that might arise.* However, that the funds daily received by the administration of the sinking fund might not remain inactive, they were directed to be employed in discounting the dividend warrants, the produce of which is to form a fund of augmentation for the Monte Moltiplico, which we consider as the only real sinking fund of the state.

For the further regulation, &c. for the administration of the sinking fund, we need only refer to our Documents.

Revenue and Expenditure.

The income of the kingdom of Naples, including Sicily, was estimated in the Budgets at 19,380,734 ducats for 1821, and 20,135,401 for 1822; about three and a half millions sterling. The direct and indirect taxes constitute the greatest proportion of that amount, namely, 14,000,000 ducats; the revenue of the kingdom of Sicily was, in the above budget, estimated for 1821 at 2,190,000, and for 1822 at 3,618,055; for the other resources of the state it is only necessary to consult the budget at page 227; but there appears to have been a deficiency in that year of 7,135,000 ducats, amongst the items of expenditure. The finance department, including the civil list, is taken at 6,993,886 ducats in 1821, and 6,714,411 in 1822. The following is the statement, however, of the budget of 1822, which has come into our possession since the Documents went to press.

Expenditure.

Finance Department and Civil List	ducats 6,714,411	74
Public Debt	3,071,999	40
Justice	843,000	
Clergy	48,000	
Foreign Department.....	500,000	
War	5,000,000	
Marine	1,977,000	
Police	250,000	
Interior.....	2,730,000	
	21,134,411	11
Deficiency of 1821	7,135,000	
	28,269,411	11

The Austrian army of occupation cost the state annually 10 millions of ducats, about 1,750,000 sterling. The army is, according to the original stipulations, to be withdrawn in October, 1824; but some modifications being contemplated, it was estimated that the expense thereby incurred, would already, in this year, experience considerable reductions.

Revenue.

The total proceeds of the direct and indirect taxes, including the other branches of the public income, were estimated for the year 1822 at	ducats 20,135,401	41
In 1819 the annual revenue was estimated at	20,013,433	
And in 1820 at	19,394,168	

The ordinary expenditure exceeding the ordinary resources by about one million of ducats. More than six millions of the revenue in ordinary times arises from the customs. The Neapolitan debt is thus only about one-seventh part of the revenue.

Management, appropriation, &c. of the Public Debt.

According to the report of the Minister of Finance of December, 1820, it was proposed to confide the management

of the debt, payment of the dividends, and collection of the consolidated fund, to a separate administration ; and by later enactments this regulation was confirmed ; so that the direction of the great book is entrusted, as regards the details of management, to a separate body, whilst the administration of the sinking fund is charged, as was seen above, with the collecting the revenue assigned to that object, in order to be handed over to the director of the great book.

The appropriations for the consolidated funds were then fixed as follows :

One-tenth of the produce of the direct and indirect taxes	
estimated at	ducats 1,500,000
2½ per cent. drawback on salaries	100,000
Revenues of the Tavogliera of Puglia	600,000
Duties on Tobacco and Cards	100,000
Salt Tax	700,000
Together	3,000,000

And for the loans contracted since, the government assigned certain domains, as stated above.

The dividends are paid at Naples half yearly, viz. on the 1st of January and 1st of July.

S P A I N.

WE have now arrived at one of the most difficult parts of our labours. The finances of the Spanish Monarchy are involved in so much intricacy, are so little known to the best informed financiers in that country—at the same time that they have latterly, and still continue, to excite such a lively interest throughout Europe, that our desire of furnishing something like a clear and intelligible account thereof, impresses us more than ever with the consciousness of our inadequacy to perform the task we have imposed upon ourselves ; and in which we experience if possible more difficulty by the numerous and otherwise valuable documents which have been furnished us ;—it is doubtful, whether, under such circumstances, it can be any way useful to trace the origin of the present amount of the public debt to any remote period ; yet in order to produce something like an historical narrative, we have consulted several authorities, and find in ‘ Bourgoign’s State of Modern Spain,’ the best and most accurate statements, and which in every respect correspond with the information we have derived from other sources. We have selected the following particulars :—

The present Royal Family inherited from its predecessors debts, known under the name of *juros*, and which bearing interest, though at a very moderate rate, were still an annual burden upon the State, of about twenty millions of reals, the payment of which was assessed on a variety of branches of the revenue. Philip the 5th left debts to the amount of 45 millions of dollars, or 9 millions sterling. At his death Ferdinand the 6th was frightened at such a

burden ; he assembled a junta composed of bishops, ministers, and lawyers, and engaged them to pronounce, *whether a king was obliged to discharge the debts of his predecessor.*

The question was determined in the negative by the majority — the conscience of the king was quieted — and a bankruptcy resolved on. Ferdinand, solely occupied with saving, suffered all the branches of administration, the army, the fortresses, his possessions beyond sea, to languish, so that at his death, Charles the 3d, found nearly seven millions sterling in his coffers. He made it a duty to repair the fatal mistake of Ferdinand 6th, and paid, in the year 1762, six per cent. on account of the debts of Philip 5th, which he continued for five years successively. In 1767, the 6 per cents. were reduced to 4 per cent. The year following, 60 millions of reals were divided among the creditors. In 1769, they were obliged to discontinue the payments, which completely destroyed the credit of the royal effects.

In 1783, Charles the 3d endeavoured to negotiate a loan of 180 millions of reals, of which the creditors of Philip 5th should be allowed a third, at par. At the expiration of two years the loan produced scarcely twelve millions, and it was obliged to be given up.

The *gremios* was a kind of public bank, where individuals placed their money at the low interest of two and half per cent. At the beginning of the American war, the government had recourse to a measure hitherto unknown in Spain : they applied to several French bankers established at Madrid, to negotiate a loan of nine millions of piasters, and issued paper money to that amount. This paper was divided into 16,500 notes, or *vales reals*, to which an interest of four per cent. was attached. The government was blamed that they had not established at the same time an office where these notes might be paid at par, when presented ; but for this purpose a fund would have been necessary, and the issuing paper money showed that they had none.

The Court of Madrid were blamed, perhaps with more reason, for having negotiated this loan on such disadvanta-

geous terms, thereby betraying their embarrassments, which could not but shake public confidence. The bankers, who procured this loan on their own credit, demanded ten per cent. commission, and had it ; however, no sooner was this arrangement known, than the alarm became general. It was said that no distress whatever could justify this measure ; a measure which sometimes had been adopted to pay pressing debts, but never to contract any.

In the mean while the *vales* circulated in Spain : but the temptation, of higher interest than the customary, was not sufficient to give them credit. They were reluctantly taken, but eagerly parted with. During the course of the war they lost, at certain times, up to twenty-six per cent.

Nevertheless, the necessities of the government increasing with the progress of the war, they issued again, in February, 1781, *vales* to the value of seventy-five millions of reals. Again, the following year, they created notes of 300 piasters, for the sum of 221,998,500 reals. They therefore became charged with a debt of 431,998,500 reals, for this object only, without considering several others, which made the total debt amount to nearly 800 millions of reals.

At the first issuing the royal notes, Charles 3d had engaged himself to redeem a part of them ; but as at the commencement of the war he had oppressed his people with an augmentation of taxes on articles of consumption, at the return of peace he thought it more adviseable to disburden them of this load, than to keep his word with the creditors of the State ; and it was not until the month of June, 1785, that he drew a million two hundred thousand piasters of royal notes out of circulation. Some weeks afterwards a new issue of forty-eight millions of reals made its appearance ; it is true that its only object was to make a capital for the continuation of the canal of Arragon, the profit of which was to serve as a security ; and it therefore could not be considered as an increase of the public debt.

The alarm which had affected the value of the royal notes dissipated by degrees ; they became again at par ; and towards

the end of year 1786 they were sought after, and were even negotiated with a premium.

The war which broke out in 1793 demanded new emissions. The royal notes were never at more than twenty-five and thirty per cent. discount at the most critical time. After the return of peace, towards the middle of 1796, these notes lost no more than ten or twelve per cent. near the frontiers, and six or eight in the capital. Afterwards, on the appearance of a rupture with England, they lost eighteen per cent. ; and it was predicted, in case the war should take place, there would be no bounds to their falling. In fact, they lost in 1801 near twenty-five per cent. Since the signing of the preliminaries with England, they rose rapidly. So early as the month of March, 1802, they lost no more at Cadiz than twenty per cent. ; and in the month of April they were done at Amsterdam at fifteen per cent. discount only. At that time there were in circulation one thousand four hundred and ninety millions of reals ; and far from being able to reduce this mass, they made a loan for 240 millions of reals, at $5\frac{1}{2}$ per cent. in the beginning of 1796.*

The *vales*, or royal notes, were hardly any longer negotiable. They were taken in no transactions, and were not admitted in payment of any taxes. The dealers, in their bargains, stipulated for hard cash. The *vales* had thus no other inticement than the four per cent. interest originally attached to their capital. They remained peaceably in the hands of their moderate holders, who contented themselves with these means of placing their capital, and who now and then brought them into the market, as they might be in want of ready money. They could therefore no longer be compared to that kind of paper money which has a fixed exchange, without any recourse to a public office for discounting them. When circumstances permitted, a portion of them were successively

* This was the loan of 30,000,000 guilders negotiated in Holland by Messrs. Hope & Co. of Amsterdam.

extinguished. There was, even at the treasury, an office for this special purpose. This office, known by the name of the *Chamber of Consolidation*, sometimes endorsed the vales, and their whole value was paid when presented. After that they no further appeared in circulation ; and the variations they experienced were nothing more than very uncertain marks of the public credit ; they indicated only that the means for liquidating them appeared either less easy or less near. They fell therefore naturally when a war broke out, or even when there was only an appearance of it. The unforeseen rupture of England with Spain in 1804, rapidly diminished their value. Some months after they lost fifty-two per cent. In the preceding war they were as low as seventy-five per cent. discount. But the return of peace, and particularly the arrival of the American treasure, so long suspended, raised them again. However, they have been to Spain a resource equivalent to a loan. They have indeed augmented its debts, but it is seldom that a great government contracts any that are less burdensome. Spain may find in the interior of the monarchy resources still less so. They have made a happy trial already, even during the calamities of the war terminated by the peace of Amiens. It consists as follows :

There is in Spain a prodigious quantity of lands known by the name of *Memorias* and *Cofradias*. The first are foundations made in favour of churches, on condition of reading mass for the soul of the founder. The *Cofradias* are lands which the devout have consecrated to the particular worship of the Virgin and the saints. These lands, paralysed by the piety of the faithful, inalienable like those of the ecclesiastics, were badly administered, and still worse cultivated. The government put them up to sale, and applied the money to the successive extinction of the royal notes. In the first month of the year 1802, these sales had already produced ten millions of piastres.

Spain gained by it in every respect ; in spite of scruples,

buyers flocked in crowds to the sales. These lands, in the hands of their new proprietors, promised a double produce.

In 1781, M. Cabarrus proposed a plan for a national bank. The principal object of this bank was to employ a strong fund, either without or with very little interest. With this view, an office was established to discount at four per cent. all bills of exchange drawn on Madrid. This resource was very moderate. Madrid, properly speaking, is not a place of commerce. The price of the wools which Spain exports, is the principal article paid there; and this alone could not furnish a beneficial employment to the funds of the new bank of Saint Charles.

It was proposed to add the profits of the *real giro*, a kind of particular chest from which the court drew those funds it wanted to send abroad, to pay its agents there, or for other purposes. This also was but a feeble resource. There circulated by means of this *real giro*, no more than about two or three millions of French livres per annum. But the principal source of the profits of the bank was to be the provisioning of the navy and army. The first had been hitherto divided between several individuals. The second was in the hands of the *Gremios*, and the contract with government was just expiring. The bank therefore might take immediate possession of these different enterprises.

The capital of the bank consisted of 300 millions of reals, divided into 150 thousand shares of 2000 reals; and as all persons had the power of purchasing these shares, nobody was excluded from the profits stipulated. Besides, the unemployed capitals which they were going to make productive, it was expected that many of those which received so moderate an interest in the *gremios*, would be lodged in the chest of the bank. The overplus of the grants of the communes was administered by the Council of Castille. The bank immediately added these funds for the benefit of those concerned. And lastly, there are in almost every community of Spain, magazines for grain, or *positos*, the surplus of which is converted into money. There was still one more unem-

SPAIN.

99

ployed fund which the bank could put into action. Few people drew their money from the *gremios*. This community was only obliged to raise their interest to three and a half per cent. The bank obtained a grant after its establishment, of being exclusively charged with the extraction of the piastres. It is well known that the portion of this money which did not remain in America, and was not extracted by smuggling, arrived in Spain to pay for all sorts of merchandize which that country received from strangers. The bank took possession of its privileges in the month of November, 1783. The first use they made of it was very advantageous. The return of peace produced a prodigious circulation of piastres. In 1784 the bank exported to the amount of more than twenty millions; and in 1785 nearly twenty-two. The revenue gained by this arrangement. The duty on the extraction of piastres had never produced more than six millions and a half of reals; in 1784 it exceeded fifteen, and in 1785 sixteen millions of reals. The single article of piastres produced a profit of near twelve millions of reals to be divided amongst the share-holders.

In the mean while they obtained the contract for provisioning the army and the navy. The first dividend of 1784 produced nine and a half per cent. The directors of this establishment re-purchased to the amount of thirty millions in 1787 and 1788, so that there remained no more than a hundred and twenty millions in circulation.

Four years after its institution, M. Cabarrus thought of creating a new source of profit by connecting it with a company of the Phillipines, of which he had also just laid the foundation. He induced the holders of shares in the bank to throw 21 millions of reals deducted from the dividend in 1784, into the funds of this company.

In 1785, Lerena deprived the bank of the contract for provisioning the army and navy, (though by their treaty it was to last three years longer), and confided the administration of it to the community of *Gremios*; which discredited the shares of the bank in such a manner, that in 1791 they

were sold with difficulty for 1800 reals, including the dividend; during the war with France, its shares were with difficulty negotiated at 1500 reals. Notwithstanding, with the exception of one year, it has constantly paid a dividend of six, five and a half, or at least four and a half per cent.; it discounts few bills of exchange. The payments it makes for government abroad, can be accounted for nothing. The provisioning the army and the navy, has been entirely taken from it, and there remains nothing more, to make the profits any way considerable, than the extraction of the piastres.

It is not easy to know exactly the specie that circulated in Spain. She had under her dominion the mines of all the metals, which she converted into money. This coined metal could not leave America without paying a duty, which was repeated when imported into Spain, and again a third time when exported into foreign countries. It would appear from this combination of duties, that it was easy to give an exact statement of the existing specie in the kingdom. But of this money coined in America a great part went from thence directly in contraband into other countries of Europe; another part goes fraudulently out of the country to pay for foreign merchandize, before it has reached Spain; and lastly, as very little melting is practised in Spain, we have not sufficient vouchers to determine the specie in circulation. A little while before his death, Musquiz, who had had the direction of finances, either as chief clerk or minister, during almost twenty years, was not even able to estimate it any way near. The specie circulating amounted to about eighty millions of hard dollars.

The foregoing information is chiefly collected from Bourgoing's work; we shall now proceed to detail what we have collected from other sources.

With regard to the royal vales alluded to above, the following were the amounts and periods of their creation.

By the decree of

30 August, 1780, 16,500 vales, amounting to	9,000,000 dol. at 4 p. c. interest
14 February 1781, ...	5,000,000
22 May, 1782, ...	14,799,900
19 January, 1782, ...	16,000,200
29 August, 1794, ...	18,000,000
25 February 1795, ...	30,000,000
6 April, 1799, ...	53,109,300
Besides the creations of 9 June, 1785, and)	
29 November, 1788, for undertaking }	6,600,000
the Canal of Aragon	

In all.....152,509,400 dollars.

In virtue of the pragmatic sanction of the 30th of August, 1800, the interest of all the vales was made payable at three periods of the year, viz. on the 1st days of January, May, and September.

By the royal decree of the 2d of June, 1785, 3334 vales amounting to 1,200,000 dollars, were extinguished; and in consequence of the pragmatic sanction above mentioned, the administration of the finance, proceeded with the extinction of several millions more; and even during the reign of King Joseph, large quantities were withdrawn, in consequence of being received in payment for national domains; and lastly, the establishment of public credit continued to cancel them; reducing them, according to the statement presented to the Cortes in November, 1820, to 1,525,686,964 reals de vellon, or 76,284,348 dollars; but amounting, as per more accurate statement of the 12th of March, 1822, to 1,540,478,494 reals, or 77,023,934 dollars, divided into 567,612 notes of 50, 100, 200, and 600 dollars each, which it is proposed to exchange against 154,047 notes of 5000 reals, and 38,511 notes of 20,000 reals.

By the name of consolidated vales, is understood those which were presented at the time the whole of them were called in by government, under the administration of Garay, one-third part of which was consolidated under the stipulation of having the interest of 4 per cent. paid in specie, the other two-thirds remaining unconsolidated. However, the interest on the former was only paid in the beginning of

1818, since which it has been discontinued, and they shared the fate of the others, and of those called *comunes* (not called upon for consolidation), the interests upon the whole of them remaining over due ever since 1801, and only such belonging to parties in favour with the minister, or other inferior functionaries were paid, whilst the holders of the others received nothing. It was to this non-fulfilment of the payment of the interests that the great depreciation of the vales was owing.

The following shews the exact number of vales in circulation on the 12th of March, 1822; their value in reals de vellon, and annual interest, in conformity with the decree of 29th of June, 1821.

26,525 vales of 600 dollars each	.....	239,661,176	16
32,855	 400	197,903,058	28
62,766	 300	283,554,635	10
113,618	 200	342,190,682	12
64,446	 150	145,572,141	6
173,000	 100	260,517,647	2
94,402	 50	71,079,152	32
567,612 vales (about £15,400,000)		1,540,478,494	4

On which the annual interest payable in

specie was	.....	15,388,911	3½
Ditto	 ditto	paper.....	46,164,733 10½

Together.... 61,553,644 14 (about £600,000)

We perceive from the above, that the finances of Spain have long been deranged, and the events of which that country became the scene since, were by no means calculated to restore them. Since the fall of the finance minister Garay, the execution of the plans he had formed for regulating them, remained suspended, and his successor, ad interim, Imaz, made no progress in realizing them. In the mean time, the direct contributions, without the necessary basis of correct statistics, were apportioned among the provinces with notorious irregularity, and from this source originated, amongst others, the discontent of the people

with the government, and the discredit of the system itself, which was, in other respects, in contradiction to the observance of various dispositions of the provincial revenues, which in general had been abolished. The separation of the directors of the public credit, and the nomination of a single director, in the person of the treasurer-general, contributed much to make that establishment lose the confidence which it at first inspired in the nation; but that measure was necessary, and dictated by the urgency of attending to the expenses of the costly expedition, intended to reconquer the colonies. In this state of things Don Antonio Gonzales Salmon, was called to the ministry and convoked by royal order, a junta composed, in general, of individuals of information, of which Don Anselmo Ribaz was president, and to them he propounded in December, 1819, the following questions:

1. If the general contribution decays, by some vice in its essence, or in the mode of its repartition, what are these vices, and how may they be remedied?

2. If the regulations established in the decree of 30th of May, 1817, are susceptible of any amelioration, what is that amelioration?

3. Whether port duties, on the terms in which they have existed since their establishment, are compatible with that system?

4. Whether it is proper, that the tenths belonging to the royal treasury, should continue to be administered in the same way; or whether it would not be better to commit the administration to the clergy, and if so, in what form and under what conditions?

5. Whether monopolies can receive any amelioration in their nature, or in the mode of directing them; and what is such amelioration?

6. Whether it is proper to vary, and on what terms the system of administration of the revenue in general, and in what particular?

7. What foundation must be laid, that public credit may inspire due confidence into the creditors of the state, that its means may be in proportion to its obligations, and that its administration and management may be simplified as much as possible?

8. Finally, the junta will extend its observations, and consult with his Majesty, in every thing else that may conduce to the welfare and prosperity of, and render the administration of the finances pure and simple.

On the 1st of September, 1820, Count Torreno, as chairman of the Finance Committee, made a report of their proceedings (see Documents, p. 166), according to which it was, as regarded the general finances of the kingdom, proposed,

1. To reduce the expenditure by 128,000,000 reals.

2. To leave the existing contributions as they were till July, 1821, when the economical, or financial year, was to commence; reducing, however, immediately the direct taxes to one-half; and after bringing about some modifications in the customs, monopolies of tobacco, &c. to supply the deficiency by a loan of 200,000,000 reals.

3. To lay down a plan according to which the revenue might be made henceforth to correspond with the expenditure, so that no deficiency might be experienced in future.

On the 29th of November, 1820, a decree for regulating the national debt of Spain was passed by the Cortes (for which see Documents, p. 171) in which they laid down the foundation of the present system of finance administration; and calculated, if properly conformed to, to establish order and regularity in that branch. It is not necessary here to recapitulate the stipulations of that decree, since, in order to form a correct idea thereof, it is necessary to refer to it altogether, as it contains arrangements for the division, liquidation, and discharge of the interest, as well as of the redeemable part of the national debt; determining at the same time measures for the establishment of a great book, the appropriations for that purpose; and finally, the institution

of a sinking fund for the extinction of the debt, the management of the whole being intrusted to the junta of public credit.

We find it necessary to observe in this stage of our narrative, that in consequence of the long prevailing derangement in the finances, the suspension of the payment of the interest on the debt, and the general disorder in almost every branch of the Spanish administration, the government remained in ignorance of the amount, and nature of what was due to the public creditor, hence statements were formed upon no certain basis, and even to the present moment they have not been accurately ascertained. According to the accounts made out and annexed to the above-mentioned decree, the public debt of Spain bearing interest amounted

to 6,814,780,363 reals.

And that without interest to 7,205,792,028

Making an aggregate of 14,020,572,391

or about £140,000,000. (see Documents, page 175); this amount, however, as appears by later and more accurate statements had been much over-rated; but we shall proceed regularly with our details of the measures which have taken place down to the latest period, compatible with the time fixed for the publication of this work.

It was understood at the time of making out the above mentioned statements, that it was the plan of the minister and of the director of the public debt, to make the national debt appear larger than it really was, and to diminish the appropriations made for its extinction, in order to obtain from the Cortes greater facilities and less clogs on the administration of the property entrusted to their charge. They also wished, it was said, to have some portions of the national debt bearing interest, transferred to those not bearing any, by which means their department would have been left encumbered, and they would have had the management of more funds, without being called upon to pay the various amounts of interest as they fell due.

At the end of the above-mentioned decree of the 9th of November, will also be found lists of the appropriations for paying the interest, and of the means for their extinction, to which, in order to avoid repetition, we must again refer our readers.

In countries whose old institutions have been mostly overturned, and where every branch of administration has been subjected to a new organisation, as in France and Spain, every measure connected with the modifications and reforms which have taken place, are of more than ordinary interest; and our extracts, &c. of official details respecting the expenditure, income, revenue, and resources of those countries, will therefore be found more copious, than the old forms and government, whose institutions having long been known, have remained unaltered, or been restored; and we feel persuaded, that a reference to them will prove to such of our readers, who are desirous of forming a correct idea of the present situation and probable means of improvement, which those countries possess, will be found useful and interesting.

According to the 11th article of the Spanish constitution, the powers of the Cortes, amongst others, extend—

By the 12th section, to fix the expenses of the public administration.

13th. To establish the taxes annually.

14th. To raise funds by loans, if necessary, upon the credit of the nation.

15th. To approve the division of the taxes among the provinces.

16th. To examine and approve the accounts of the application of the public funds.

17th. To establish Custom Houses, and to fix the duties to be paid there.

18th. To order what is expedient for the administration, preservation, and alienation of the national funds.

This leads us therefore, in the first instance, to the examination of the resources, &c. of the kingdom during the old administration.

The consolidation of all the duties produced in 1776 no more than 440,000,000 reals.

In 1784 the total receipts were 685,068,068 reals.

And according to the accounts presented by the finance minister, Lerena, they produced in 1787, 616,293,657 reals. The expenses of collecting the revenue in that year were 40,483,248, independently of the maintenance of 3571 officers as guards against smuggling, 11,002,645.

In 1776 the total expenditure was 505,586,174 reals.

Of which the army cost.....200,000,000

And the navy 127,000,000

In 1777 the expenses amounted to 476,385,565

and in that year the total revenue did not exceed..... 372,346,883

There was a deficiency of..... 104,038,682 reals.

Recourse was had to very ruinous and temporary expedients, to remedy this in part; but as preparations were then making for a war, the government was obliged to adopt more permanent means, by the augmentation of 30,000,000 provincial taxes, of 12,000,000 on the crown of Aragon, and 2,000,000 on the tax on tobacco; however, as the collection of those additional contributions could only be slow, successive and incomplete, the minister was obliged in 1779, to borrow from the Company of the Gremios of Madrid, an advance of 50,000,000 at $3\frac{1}{2}$ per cent.

Those means being still insufficient, they had recourse to the expedient of issuing the royal notes alluded to above.

In 1784, at the close of the war, the expenses amounted to 685,068,068; and the amount of debts in 1787 was estimated at 1,543,906,944 reals, about 154 millions sterling.

The revenue in 1817 amounted to 620,000,000 reals.

With regard to the present amount of the revenue and expenses, the statements are so incomplete and contradictory, and the information possessed by the government itself so

limited, owing to the disturbed state of many of the provinces, and the want of system in collecting the revenue that it is difficult to arrive at any satisfactory conclusions with respect to them.

The expenditure of the first financial year of the Constitutional Monarchy, commencing on the 1st of July, 1820, and ending 30th June, 1821, was estimated in the Budget (Documents, page 170), at 702,802,304

But according to the Finance Ministers Report, presented to the Cortes on the 1st of March, 1822, (page 193) it was as follows:

Arrears of Debt to 1820	118,271,531	
Annual Charges	665,957,886	
		<u>784,229,417</u>
The ordinary Revenue in the same Budget estimated at	530,394,271	
But subsequently reduced to	415,500,000	
only produced in effective receipts		
(page 193)	342,951,496	
Arrears of 1820	149,363,036	
Balance in the Treasury, 30th June, 1820	52,775,875	
		<u>545,090,407</u>
Leaving an actual deficiency of		239,139,010

but only taken at 181,442,774 by the Minister, because the effective receipts did not comprehend the total proceeds of the contributions.

This deficiency was supplied by the loan of 200,000,000 reals, negociated with the house of Laffitte & Co. of Paris, in November, 1820.

The expenditure for the year 1821—22, was fixed at (page 182)	756,214,217
The actual disbursements for the first half of that year, the second not being made out at the time of our going to press, were (page 195)	349,395,529
The receipts for the whole year estimated at 665,000,000	
only were in the first half	<u>91,957,952</u>
Shewing an excess of Charge over the Receipts of	257,437,577

However the Report on that subject is too imperfect to lead us to any certain conclusions ; and the amount of receipts varied so much from their original estimates, as to induce us to believe that the accounts transmitted to the minister must have been extremely incorrect ; for instance, upon the Land-tax alone, fixed by the decree of the Cortes of 29th June, 1821, at 150,000,000 for the whole year, there appears a deficiency of 70,719,567 only to the end of December last. The House-tax estimated at 30 millions, only produced 986,953 in the first six months of last year ; the contributions of the Clergy, regulated at 30,000,000 per ann. yielded in half a year 5,583,804 ; Consumption duties, which for six months should have produced 50,000,000, only brought 16,773,129 ; in short, a reference to the Report itself, at page 185 and following, of the Documents, must at once satisfy us of the defective nature of the information it contains : however, that there existed a considerable deficiency in the receipts of 1821—22 can admit of no doubt, and is fully established by the necessity in which the government was placed, of raising 200,000,000 reals by loan, giving rise to the National loan, and that contracted with the house of Ardouin, Hubbard & Co. in 1821. As to the actual result of receipts and expenses ending the financial year, on the 30th of June last, we are at present deprived of the necessary information ; should further details reach us previous to publication, we shall add the particulars on this important subject in an appendix at the end of this volume.

The expenses of the year 1822—23 have been estimated at the sum of (See Documents, page 200)	861,591,646.
--	--------------

Being an increase of expenditure as compared with last year's, of 118,694,012, owing to the sums assigned by the Cortes for paying the deposits, the funds necessary for the purchase of tobacco, salt, &c. and in consequence of the increased interest on the public debt.

The estimated amount of receipts is	663,763,457
---	-------------

Shewing a deficiency of	197,828,189
-------------------------------	-------------

which it was hoped to supply by retrenchments,

National Debt;

The amount thereof has, we have seen, not been exactly ascertained; that it will fall short of its original estimate is placed beyond a doubt, and the term fixed, in which all claims upon the government were to be liquidated being passed, (none being admitted after the 30th of June, 1822) we are in hopes of receiving an account of their final settlement in time for the publication of this edition. A circular of the Minister of Finance having appeared in the Madrid Gazette of the 23d of June, containing instructions to the Junta of public credit, according to which they were to publish within eight days of its receipt, a summary of all the credits liquidated, redeemed, and in course of liquidation, up to the 31st of May last, and within the first eight days of July summaries up to the 30th of June, in which the impassable limits for all other claims were to be fixed.

Proceeding therefore in the first instance upon the information we are at present in possession of, we find in the Report of the National Junta of public credit presented to the Cortes on the 14th of March, 1822, that there had been acknowledged and liquidated up to the latter end of February last, as follows:

1513,626,282	5	in debts of the national Treasury.	
222,828,342	5	 of the old Consolidation.	
6,753,775	9	 of the establishment of public credit.	
66,793,602	18	 for interest in <i>Vales</i> payable in paper.	
95,974	3	 ditto ditto in specie.	
1810,097,976	6	of which 498,097,660	12 bearing interest
		to the amount of	21,998,235 —
1540,478,494	4	in <i>Vales</i> as stated above, of which the	
		interest is	61,553,644 14
3350,576,470	10	together, at an annual charge of.....	83,551,879 14

A Committee, charged with investigating the proceedings of the Junta of public credit, reported in the month of May last, that they conceived the items of the public debt, with

interest, amounting as per Statement No. 1, at page 175 of the Documents, to

might be subjected ultimately to a reduction of..... 3,446,112,281

leaving its amount 3,368,668,082

And that from the amount of debt without interest

estimated in the above Statement at ... 7,205,792,028

might be deducted for over estimates 5,741,161,825

in consequence of which it would be reduced to .. 1,464,630,203

making the amount of debt 4,833,298,285

adding the Loan in Holland not included above .. 240,000,000

and the National and Foreign loans of 1821..... 200,000,000

would make an aggregate of ..reals 5,273,298,285

or about Fifty-two millions sterling; and in the Minister's finance report (page 199) we find under the head of Interest of the National debt when the whole shall have been inscribed on the Great Book, an estimated amount of

75,950,142 reals

to which adding the interest above of 83,551,879 —

making a total annual charge of 159,502,021 or about one million six hundred thousand pounds sterling.

The above is all we can deduce from the imperfect and often contradictory data which have hitherto been published on the subject, but we trust the question will soon be set at rest by the further information we look forward to on that head.

Revenue and Resources.

We tread this ground with extreme diffidence, and indeed the statistical information possessed affecting the general resources of the Spanish monarchy is so imperfect, and involved in so much doubt, that it is scarcely possible to exhibit them in any thing like a correct shape. It is however well ascertained that Spain is a country rich in all the elements of national wealth and prosperity, that her resources are susceptible of the greatest possible development, and that were her means duly called into action, they would far exceed her necessities; but we fear the present generation is not likely to witness the improvements she is capable of receiving.

We shall therefore proceed with caution, resting our assertions upon the most undoubted authorities we have been able to procure, and directing our attention chiefly to the resources applicable to the national income, more particularly to those appropriated to the public debt. The population of Spain is estimated by De Sierra at 11,500,000 inhabitants, only one fortieth part of which are engaged in trade; and according to the census taken in 1797 (being the last) Spain contained 1,949,577 inhabited houses, which, computed at an average value of ten thousand reals each, (£100) forming an aggregate of 19,495,770,000; but in a memorial presented to the Cortes by Arguelles, in 1821, the total value of all houses in Spain was not taken at more than 17,495,770,000, (about £175,000,000) the rents of which estimated at two per cent. would give an annual amount of from 350 to 390 millions reals, but in apportioning the House or Assessed Tax, it was considered that as one-third consisted of farm houses, and not liable to the house-tax, another third of empty houses and houses under repair, there would only remain to collect the projected duty of 30 millions of reals upon an amount of from 117 to 130 millions, constituting thus an assessment of from 23 to 25 per cent. on the amount of rent paid.

The rents, &c. of the vacant *encomiendas* belonging to the four military orders, were estimated by D. Isidore Antillon, in his geography of Spain, at an annual rental of 12,000,000 reals, but the abolition of half the tithes and of the seigniorial dues, have reduced them considerably, and they only produced in the year 1821, the sum of 3,559,672 reals.

The commanderships of the said orders produced, according to the treasury statements of 1793 to 1797, on an average 5,852,036 reals per annum, but their proceeds in 1821 did not exceed the sum of 3,633,049.

The estates and revenue of the Inquisition, estimated by Government in 1820, at 10,000,000, and by the National Junta of 1821, at 500,000, produced in the latter year, 1,722,875.

The surplus of the proceeds of the revenues of the Convents and Monasteries, after paying the pensions to which they are liable, would not yield any thing applicable to the payment of the interest of the debt.

The income of the vacant ecclesiastical benefices and prebends was estimated by the Council of Castille, on 14th of July, 1800, at 1,500,000 reals. The government valued their proceeds for 1820 at 12,000,000, the National Junta on the 30th of November, 1821, did not expect to derive any benefit whatsoever from this source, but according to their own statement they produced in that year 3,291,547 reals; shewing in this instance how ignorant the best informed individuals in Spain are of the actual resources of their country.

The arrears due to the old consolidated fund, appropriated for paying the interest on the debt, is an incidental resource of no importance, and have already been received.

The produce of the lead mines was valued by the government, in 1820, at 4,000,000 reals, and by the National Junta at 2,000,000; the actual receipts in 1821, amounted to 7,509,758. Those of quicksilver of Almaden are estimated to produce 7,000,000, but those of Rio Tinto scarcely yielded sufficient for the payment of the charges. The Albufera estates may produce 600,000 reals, annually, to the government; the proceeds of the suppressed estates of the king, were 234,165 in 1821; from the valley of Alcudia was received 775,385 in 1821. The ecclesiastical revenues appropriated to the public credit, are not considered by that establishment as calculated to yield any resource to the revenue, being mostly engaged to answer other claims. The proceeds of all the mines belonging to the State had not been any thing yet, but the National Junta estimates that they may ultimately yield an annual revenue of 200,000 reals. The estates of the Duchess of Alba, and of the late minister Don Emanuel Godoy, confiscated for the benefit of the Junta of Public Credit, were estimated at 730,000 reals per annum. The royal patrimony in Valencia and in other parts of the kingdom, produced in 1821 the sum of 863,024 reals. The

révenue of the forest of Segura, is estimated at 200,000; the *encomiendas* of the Infante Don Antonio, are valued at 826,170; those of sundry other estates of private individuals and belonging to the churches, transferred to the public, are expected to produce 8,000,000 reals annually, and the temporal property of the same 2,391,740. The total annual amount of these resources, as estimated by the committee of revision, would therefore be, 42,697,910 reals (about £427,000).

The value of the national estates appropriated to the extinction of the national debt, has been variously estimated, but the produce of those hitherto put up for sale has far exceeded the original valuation; these estates consist at present of nearly the whole of the property of the clergy, which by all accounts is immense. As far back as the year 1425, complaints were made throughout the kingdom of the extensive purchases then daily making by the Deans and Chapters, and such was the progress of the wealth of the clergy, that in 1447, it was stated that the property constantly falling in to them by purchase, inheritance, donations, &c. was such, that if not put a stop to, scarcely an estate, vineyard, house, or vassal in the kingdom, but what would be theirs; this opinion was amongst others expressed by Antonio Perez: and D. Miguel Osorio states, the revenues, rent, and wealth of the convents and clergy was such, that they were in possession of the best estates. In a memorial presented by one of the Juntas in 1694, to Charles the 2d, they say, that the number of houses possessed by the religious communities and the clergy was so great that in Seville and Toledo, nearly all the houses belonged to them; and we find the Council of Castille, the Count de Campomanes, and other illustrious Spanish financiers, in an address presented to the king in 1764, asserting that the main-morts were in possession of one sixth part of all the lay estates in the kingdom, and of one-third of all other property.

Lastly, as regards the national property in Spain, we have the following particulars: the superficial area of Spain

amounts to 136,000,000 fanegas (about 15,000 square leagues) one hundredth part of which is taken up by mountains, rivers, cities, and public roads, leaving 122,500,000 fanegas, of which 33,000,000 are appropriated to the cultivation of grain, fruit, and to gardening, &c. 89,000,000 are pastures and commons, and 44,500,000, or nearly one third of the whole, belong to the public credit; these are considered the most fertile, the best situated, and the most productive the country possesses. To the mass of property belonging to the Inquisition, monks, *encomiendas*, privileged orders, &c. has been added the whole of the property in the hands of the clergy, leaving them for their subsistence one half of the former tithes. The ecclesiastical proprietors, according to the report of Cangua Arguelles, late minister of finance, amounted to 32,279, and although each, on an average possessed no more than three estates, it will easily be seen that the above accounts must be correct, and the aggregate property of the clergy be immense.

According to the estimates made by the proprietors and merchants of Madrid, the following is the total value of the estates, &c. appropriated towards the extension of the public debt.

	REALS.
Property of pious Establishments and religious Fraternities ..	2,000,000,000
Encomiendas of Military Orders	400,000,000
Temporalities	25,000,000
One half of the Commons of the Crown	2,000,000,000
Inquisition	50,000,000
Property of the Crown, including the manufactures of Guadajara and of cristals	100,000,000
Ditto of the Duchess of Alba	40,000,000
The Valley of Alcudia	18,000,000
The Suppressed Monasteries	2,000,000,000
Property of the secular Clergy, deducting what belongs to the legal proprietors of tithes	2,000,000,000
Total	8,633,000,000

In the extract of the finance minister's report in March last, at page 186, &c. will be found some interesting details on the subject of the produce of the taxes, indirect contributions, monopolies, &c and the reader will derive useful information from that source.

But on the subject of the sales of estates transferred to the establishment of public credit, for the extinction of the national debt, which naturally excites so much interest, we find the junta of administration in a report laid before the Cortes, express themselves as follows: " By the first statement made out, it appears, that although the prices obtained in the capital have amounted to three times more than the original valuation, in Seville to two and a half, and in Catalonia and Cadiz to twice as much, the sales in the other provinces have not gone much beyond the valuation; for when this has been rated at 2,695,771 reals effective, the property has not sold for more than 3,472,399 reals in paper; although the discount on the latter is so enormous. There is a decree by which it is enacted, " that although the property is to be sold for paper, the valuations are to be made according to the real value in effective money, bearing in mind the annual produce of the estate, rental, &c. and deducting the expense of repairs, &c. The valuations are made by architects and skilful persons, and the more valuable the estate, the fewer are the competitors. This is owing to the great scarcity of large capitals; so that an estate valued at one million of reals, or 50,000 dollars, would scarcely meet with a bidder; but by special enactment, as soon as the value of an estate has been covered in government paper, if no one bids more, it is knocked down to the first offer."

The *Madrid Gazette* of the 24th June last, contains the following Table of the sums produced by the sale of national property, and appropriated to the establishment of public credit :

Provincia.	Nature of Security.	Estimated Value.	Value sold for.
		Rs. V.	Rs. V.
Avila	Convents and Monasteries.	725,422	827,183
Cuenca	Ditto ditto	347,640	389,862
Ciudad Real	Ditto ditto	384,321	642,236
	Lay property	56,282	78,694
Guadalajara	Convents and Monasteries.	67,275	154,475
Lugo	Ditto ditto	51,533	103,333
Majorca	Ditto ditto	23,252	67,136
Malaga	Ditto ditto	349,748	1,064,679
Oviedo	Ditto ditto	176,724	293,326
Valencia	Ditto ditto	93,260	187,980
Plasencia	Ditto ditto	1,817,327	6,526,475
	Pious Works	16,600	20,300
Salamanca	Convents and Monasteries.	1,871,492	4,292,696
Santander	Ditto ditto	621,145	1,857,092
Victoria	Ditto ditto	7,728	40,000
Zamora	Ditto ditto	1,473,848	2,059,795
Sarragosa	Ditto ditto	611,523	967,786
		8,695,120	19,573,048

Of the nature of the vouchers of the Public Debt, payment of the Dividends, extinction of the Capital, &c.

By the decree of the Cortes of the 29th November, 1820, (see Documents, page 171), it will be observed, that the various and unequal rates of interest payable on certain portions of the public debt, is regulated and reduced to one standard, namely, 5 per cent. ; also that the manner adopted for the acknowledgment of old legal claims on the government, the method in which, and the periods when, the interest is payable, has been pointed out. It besides contains the classification of the public debt, the new arrangements made for the two descriptions of royal vales, and it also exhibits the several denominations of Spanish funds, as well as the manner in which the old creditors are to receive

paper of a negociable form, or are allowed to extinguish their credits, by the purchase of national property ; it would therefore only be necessary to refer to that Document, but as some modifications have taken place since the promulgation of this enactment, we shall proceed as briefly as possible to detail them.

Amongst the various denominations of interest-bearing debt; enumerated in the first statement accompanying the above-named decree, we are at a loss to determine what vouchers and documents the proprietors or holders possess, and whether they be transferable or negociable in any shape ; but we find in a report of the committee of supervision, to which we have had occasion to refer before, that it was proposed to grant for every liquidated (acknowledged) claim upon the state, a document in testimony of such claim, which they should be at liberty to negotiate ; and with a view of simplifying them, they submitted to the Cortes the propriety of dividing all the documents of the debt in three classes, distinguished by the names of vales ; credits with, and credits without interest ; to be issued in the name of the nation, specifying the amounts of capital and interest, without allusion whatever to the source from whence the debts originally proceed.

It was the opinion of the Committee, that the value of the credits was influenced by their respective nominal amounts, and particularly as they were not accommodated to the uses of mercantile circulation, or to carrying on the usual and ordinary transactions of society, and they therefore conceived that all the credits or vouchers of public debt to be issued, including the vales, should be divided equally into amounts of 20,000 (£200), and of 5000 (£50), reals de vellon, and it was expected by that means that the value of the public securities would be materially enhanced, in consequence of being better adapted to the purposes of transfer and circulation. With this modification in view, it is of course unnecessary for us to enter into a detail of the present nature of those descriptions of securities.

The other evidences of the Spanish debt are, 1st, the bonds granted in consideration of the loan raised in Holland, these are of one thousand guilders each, with annual dividend warrants attached to them, but which having for several years remained unpaid, (as will be more fully explained when treating on this subject in the article specially devoted to similar details at the end of this volume), and are, as well as the vales, and the other items of the internal debt, admissible in payment for the purchase of national estates.

2. The bonds arising out of the loan of 15,000,000 dollars, negotiated in Paris in 1820; of 100 dollars each, have half-yearly dividend warrants, payable in Madrid; to these bonds were likewise attached an equal number of lottery tickets, according to the terms of the loan; the bonds are to be paid off in twenty years, commencing in 1825. The numbers to be determined by lot, and to the tickets are attached prizes of from 15 to 20,000 dollars.

3. The certificates of inscriptions issued by virtue of the loan of 1821, contracted with the house of Ardoin, Hubbard & Co. of 400 dollars £85, 800 dollars £170, 1200 dollars £225, 1600 dollars £340, 2400 dollars £510, and 4800 dollars £1020, each with half-yearly dividend warrants, payable in London.

4. The bonds arising out of the national loan, forming part of the preceding ones and of 150 dollars each; according to the 12th article of the contract for the loan of 1821, it was stipulated that a great book should be immediately established upon the same principle as that of France, and to be administered in the same way, in which should be inscribed the debts incurred by the loan of 1820, with the lottery tickets of same. The bonds of the national loan, those of the Dutch loan, and the arrears of interest on same.

On the subject of the loans contracted, full particulars will be found at pages 182 and 196 of the Documents, to which for information respecting them, it is only necessary to refer.

As the contract for the loan of 1821 contains all the regulations for the future management, &c. of the public debt, sinking fund, great book, &c. we can do no better than present our readers with a literal version thereof.

TERMS OF THE LOAN OF 1821.

Art. 1. This operation will comprise, 1st. an amount of 140 millions reals de vellon; 2d. the bonds and tickets of the loan contracted in 1820 with the Spanish government, by Messrs. Lafitte and Co. and Ardoin, Hubbard and Co.; 3d. the bonds of the National loan concluded in 1821; 4th. the bonds of the different loans contracted by the said government in Holland, and acknowledged by decree of the Cortes of 11th September, 1820; 5th. the arrears of interest due on the loans in Holland to the 1st of January 1821; 6th. the interests due upon said loans subsequent to the period of the 1st of January, 1821, also those due upon the loan of 1820 subsequent to the 1st of November, 1821, and finally, those which are due on the obligation of the National loan of 1821, from the period in which they commenced to accrue.

Art. 2. The Spanish government undertakes, 1st. not to receive from any one, in any shape or form whatsoever, except from the parties to the present agreement, for the space of eighteen months from the date hereof, all or any of the effects specified at Nos. 2, 3, 4, 5, and 6 of the preceding article; 2d. but to accept same from the contractors during the said period of 18 months at the following prices.

	Reals.	per Cent.
A The bonds of 1820 (of 100 dollars each) for the amount of 1400 each	(70)	
B The premium tickets of ditto at	300	(15)
C The bonds of the National loan of 1820 (150 dollars each)	2100	(70)
D The bonds of the Dutch loans of 1000 guilders each for .	5600	(70)
E The guilder of the arrears of interest to 1st January 1821 at	4½	(56½)
F The guilder of the current interests, namely, of those which accrue since the 1st of January 1821 for	8	(par)
G The interests of the bonds of the loan of 1820, at the rate per hard dollar of	20	(do.)
H Every real of interest accruing on the National loan since the delivery of the bonds in effective at	1	(do.)

Art. 3. The delivery of these effects is optional (facultativa) on the part of the contractors; and this option ceases at the expiration of eighteen months

after the date of signing the present contract; so that after that period the Spanish government will not be obliged any more to receive them through their medium. The Contractors shall be at liberty to deliver said effects in the hands of the Spanish consuls at Paris, London, and Amsterdam, and they will be acknowledged in Madrid on presentation of the certificates on the part of said consuls.

Art. 4. In regard to the 140 millions of reals, and their mode of payment on the part of the contractors, it is agreed that they shall be paid after deducting the commission stipulated at article 21 at the following periods:

On the 1st of January, 1822	30,000,000
1st of February	12,000,000
1st of March	12,000,000
1st of April	12,000,000
1st of May	12,000,000
1st of June	14,000,000
1st of July .f.....	14,000,000
1st of August	14,000,000
1st of September	14,400,000
	134,400,000

At the desire of the Spanish Government the contractors will endeavour as much as possible to anticipate the above instalments, in which case they will be allowed interest at the rate of 5 per cent. per ann. upon their advances; it is understood that they can not claim any interest upon the instalments made at the stipulated periods.

Art. 5. The remittances in specie made by the contractors, shall be effected in the same manner as was adopted with the loan of 1820, in pursuance of the convention between Senor de Cangua Arguelles and Messrs. Ardoin, on the 15th of December, 1820, in as far as such may not prejudice the stipulations of the present treaty. The French coins shall only be taken in the shape of bullion, and the contractors shall conform to the decrees passed in that respect by the Cortes.

Art. 6. In the unexpected event of the constitutional system being overthrown in the Peninsula, the contractors reserve to themselves the power to discontinue their remittances, and to cancel the treaty for such part as they may not have carried into effect.

Art. 7. The bonds, &c. of the old loans, which may be delivered in conformity with the preceding articles, shall not be again put into circulation, but shall be stamped, so as to indicate their having become the property of the nation, their respective numbers being published every month.

Art. 8. In case the whole of the bonds of the loan of 1820 shall not be delivered in by the above operation, the drawing and reimbursement of the

prizes and of the bonds, as well as the payment of the interests, shall continue in conformity with the contracts of the 6th of November and 15th December, 1820, and such as have become the property of the nation shall participate in the advantages of the drawings, and the payment of the interests. The interests of the loans of Holland and of the National loan of 1821 shall continue to be paid by the government upon the same principle.

Art. 9. For every 200 reals paid by the contractors, either in specie or in the effects expressed in the 1st article of the present treaty, at the prices regulated, as indicated in article 2, they shall receive an inscription of one hard dollar rente on the great book of the public debt, upon the principle to be adopted in pursuance to the 12th and following article of the present agreement.

Art. 10. The amount of inscriptions, on which the interest shall commence on the 1st of November, 1821, and those to begin the 1st of May, 1822, shall be further determined, as also the amount of rentes which are to be paid in Madrid, Paris, and London, and what proportions are to be domiciliated in each of those cities.

Art. 11. Immediately after the conclusion of the present agreement, inscriptions amounting to the value of 700,000 hard dollars shall be delivered to the contractors, and for the payment they make either in bonds or money they shall receive inscriptions for the amount of such payments, so that the inscription of 700,000 hard dollars shall be set off against the last remittances to be made. It is understood, however, that should ultimately the remittances not amount to the value of the inscriptions granted, the amount for which no value shall have been given shall immediately be transferred to the government, as also at the same time the interests that may have been received on the inscriptions thus placed at their disposal.

Art. 12. There shall be immediately established a great book upon the plan of the French one, to be administered in the same way. The rentes to be inscribed therein shall be transferable without obstacles or difficulties being put in the way of the modifications, which may be deemed expedient, with regard to the form of the vouchers, to facilitate their circulation in foreign parts.

Art. 13. The rentes thus inscribed shall be payable in specie, that is, in silver or gold coin of the weight and fineness known at the present day, without their ever being subjected to any alteration or depreciation; they shall be paid half-yearly, on the 1st of May and 1st of November, in Madrid, Paris, or London; in Paris at the rate of 5 fr. 40 c. per hard dollar, and in London at 4s. 3d. per ditto, the government taking always the necessary precautions that the payment be made at their own expense with due punctuality. The inscriptions domiciliated in London or Paris may be exchanged against others payable in Madrid, should such be convenient to the holders; but those payable in Madrid may never be exchanged for others payable abroad.

Art. 14. These rentes shall be paid as well in time of peace as of war, and

indiscriminately to all holders, of whatever nation they may be, whether friendly or enemies. Should a foreigner die intestate, the inscriptions shall pass to his heirs in the order of succession established by the laws of the country to which he may belong. The capitals vested in perpetual annuities are declared to be inviolable property, exempt from all taxes or sequestration either by the government or private individuals, only excepting such cases where the inscription has been pledged as a security.

Art. 15. The duties on consumption shall be appropriated to the payment of the inscribed rentes, the receivers of which shall immediately transmit the same to the director of the great book to be appointed for that purpose; should their proceeds not cover the amount of the rentes, the government shall make up any deficiency stated by the said director.

Art. 16. Annexed to the great book shall be established a sinking fund under the administration of commissioners as in France; an annual amount of 24 millions of reals to be taken from the said duties on consumption shall be specially appropriated for the purpose, and shall be transmitted to the fund to be employed in the purchase of rentes inscribed on the great book; these purchases to be made daily by order of the commissioners in equal sums, holidays excepted, on the exchanges of Madrid, Paris, and London, by exchange brokers, and should the funds applicable to said purpose not be realised with sufficient expedition to enable those purchases to be made with regularity, the committee shall confer with the treasury, in order to receive the requisite funds. It is understood that should the revenue appropriated to the sinking fund not amount to the sum of 24 millions, the government will immediately make good the deficiency. The amount of these redeemed rentes shall be applied to the purchase of new ones, and none of the rentes thus purchased, which thus become national property, shall in future be circulated; being only inscribed on the account of the sinking fund, to whom the interests shall be paid, and the operations of the sinking fund shall have for sole object the purchase of rentes inscribed on the great book.

Art 17. The amount of rentes inscribed on the great book by virtue of the present treaty, shall never be increased without a simultaneous increase of the sinking fund, and in such proportions as not to be less than one-fifth of the new rentes inscribed.

Art. 18. A committee, consisting of two persons named by the king, and two others by the cortes, shall be charged with the inspection and superintendence of the great book and of the sinking fund: they shall make oath to conform in every respect to the stipulations of the present treaty.

Art. 19. All the charges of management of this establishment shall be for account of the government, as well those of the great book and as of the sinking fund.

Art. 20. The payment of the dividends in Paris and London, and the purchases which the sinking fund may have to make in those cities, shall be made

through the medium of the contractors, and they shall not be allowed to charge more than the commission customary in such cases.

Art. 21. A commission of 4 dollars only upon the 140 millions of reals shall be allowed to the contractors, which they shall deduct from the said sum.

Art. 22. The government also engages under the conditions expressed hereafter, not to raise any loan whatsoever, nor to inscribe other rentes under any pretence, than those mentioned in the present contract, either in the great book herein mentioned or in any other, for the space of 12 months after the present date.

Art. 23. Should another loan be required in consequence of extraordinary changes or unforeseen occurrences, the government may then (but never till after 4 months subsequent to the conclusion of this contract) inscribe an additional amount on the great book, but which shall in no case exceed one million of dollars rentes. The rentes thus inscribed shall not be given to other parties than the present contractors, and should the government not be able to agree with them respecting the term of the negotiation, they shall dispose of them for account of the government, who will for that purpose allow them a commission of 5 per cent.

Art. 24. A special arrangement shall be made between his excellency the Minister of Finance and the contractors with regard to the details and measures requisite for the execution of the present treaty, and particularly as regards the form of the vouchers and the payment of the dividends in foreign countries.

Art. 25. The present contract, passed and concluded by virtue of the full powers of his Majesty and the authority of the Congress, shall be transmitted to them for the purpose of being deposited in its archives, and after having undergone the necessary formalities its stipulations shall have force of law and may not be contravened.

Should any doubts occur in the execution of the present treaty, they shall be removed upon the principles of good faith, by which it has been drawn up between his excellency the Minister of Finance and the contractors.

Passed in triplicate in Madrid the 22d Nov. 1821,

ANGEL, VALLEJO,

ARDOIN, HUBBARD, & Co.

Additional article. It is agreed that should the subscription to the national loan exceed the sum of sixty millions in money, the sum to be advanced by the contractors shall be reduced in proportion to such excess, so that those two sums may not exceed the amount of 200 millions, which the minister is authorised to raise, which amount, however, must be determined in the course of twelve days; and that the national subscription shall not be recognised by the government if not known at Madrid by the 15th of November,

which is the last day of the contract agreed upon between the government and the directors of the national loan.

Madrid, 22d Nov. 1821.

In the sitting of the 27th of June last, two days before their prorogation, the Cortes adopted the report of the finance committee, recommending on the representation of the minister of finance, that the government should be authorised to sell and issue 13,000,000 reals of rentes inscribed on the great book, with the object of covering the deficit of 105,000,000 which is anticipated to occur in the supplies, and for answering any other obligations to which the state may be subject. The report stated the income of the various branches of expenditure, and on balancing them, decided on the policy of a loan, which this vote of credit authorised the government to make. We shall have occasion to notice the accession of debt thus created at the end of this volume.

We can not do better than conclude this sketch of the financial state of the Spanish monarchy than by the following extract of the king's speech on closing the session of the Cortes 30th June, 1822.

“ The advantages which must result from the administrative system of the finances in virtue of the recent division of the Spanish territory, the greater vigour in the collection of the revenue which must follow from the decrees that have been passed, and the simplicity and uniformity with which the system of calculation and reason is to be established, to satisfy the people with the legitimate employment of their sacrifices, afford me the hope that a striking improvement is taking place in a branch as important to the prosperity of the nation, as necessary to give my government proper vigour and energy.

“ The consolidation of the credit of a state depends upon the combination of so many causes, that it is not possible to

determine beforehand the degrees of its rise or decay ; but the Cortes have passed important resolutions, which cannot fail to inspire into natives, as well as foreigners, security and confidence ; preserving untouched at all hazards that character of probity and good faith, which has been always a distinguishing feature of the nation ; and intrusting to the individual interests of the creditors of the state themselves, vigilance over the funds destined to the pay and extinction of the national debt."

P O R T U G A L.

THE accounts respecting the finances of this kingdom, which we have been able to gather, are very limited and unsatisfactory, but at the time we are writing, a Committee is appointed to investigate the resources of the State, and report upon them, with a view to a loan, which it is in the contemplation of the government to negotiate; should any satisfactory information reach us previous to publication, we shall not fail to notice it in an addenda.

The following is a statement of the budget for 1822, as presented by the finance minister to the Cortes at the beginning of this year.

Income.

Customs	Crusades	6,775,000	
Tithes	..	1,000,000	
Excise	..	700,000	
Stamp Duty	..	375,000	
Wine Company of Oporto. .	..	650,000	
Duty on Playing Clards....	..	150,000	
Tobacco	..	3,540,000	
Miscellaneous	..	4,095,000	
		<u>17,285,000</u>	or <u>£1,440,000</u>

Expenditure.

Army	Crusades	10,948,000	
Navy	..	2,955,000	
Civil List	..	1,293,500	
Cortes	..	540,000	
Salaries and Pensions.....	..	4,757,000	
Incidentals	..	809,000	
		<u>21,302,500</u>	or <u>£1,777,000</u>
Deficiency ..	Crusades	<u>4,017,500</u>	or <u>£327,000</u>

The following has been given in as a statement of the Income and Expenditure of the kingdom of Portugal in the under-mentioned years :

1810	Income about £2,350,000	Expenditure £2,200,000
1811	2,200,000	 2,160,000
1812	2,040,000	 2,040,000
1813	2,680,000	 2,600,000

During the greatest part of which time, one-third of the kingdom was in the occupation of the French troops. The subsidies received by Portugal from England in the above four years amounted to £9,280,000.

A considerable quantity of paper money is in circulation in Portugal, issued at different times by the government, but the amount is not known ; a new bank is, however, on the point of being established, and it is hoped that more light will ere long be thrown upon the actual state of the Portuguese finance.

SMALL GERMAN STATES.

IN order to form some idea of the nature of the government of the small German States, as regards the administration of their public funds, taxes, debts, and finances generally, the following introductory remarks, extracted from the work of Thomas Hodgskin, to whom we are indebted for some very correct accounts of the social and political institutions of Germany, will be found interesting, particularly as regards the origin of domanial property.

The practice of dividing their properties, which so long kept the Sovereigns of Germany weak and dependent on the nobles and towns, was generally abolished in the 17th century. When the right of primogeniture was introduced, the sovereigns not only transmitted their own properties undivided, but, by the extinction of other branches of their family, the number of the sovereigns diminished, and the power of each became augmented by uniting several sovereignties. The revenues of the sovereigns of Germany were principally derived from landed property, and, as they obtained more territory, they necessarily added to their revenues; this was not so much the case however with the sovereigns of Wirtemberg and Saxony, who increased their dominions very little, as with the emperors of Austria, the kings of Prussia, and the electors of Hanover.

The sovereigns of Germany were enabled to maintain standing armies out of their own revenues, and the privilege of the states to grant taxes, to keep when collected, and to controul their expenditure, became useless. The princes of

Germany possess a large part of the land as their own property; the states of Wirtemberg kept the taxes levied by their own authority, they amounted before 1805 to 1,060,000 florins; the revenues of the church were 1,000,000 florins; the independent revenue of the duke, it will be seen, exceeded the produce of the taxes and the revenue of the church.

All the members of the states, or parliaments of Germany, were for life, and managing the taxes as they did, the interests of the deputies, became more identified with those of the crown, and they were more easily persuaded to join in all its measures; the deputies of the towns, on the other hand, most generally took on themselves a stipulated and unequal portion of the common burdens.

Thus in all German states, and indeed in most of the European countries, a great part of the revenues are derived from the domains, which are regarded as the private property of the sovereign. In former times, it appears that there was no other mode known in Europe of paying public functionaries than that of giving them the produce of certain portions of land. The nobles of Europe, some of whom have become modern sovereigns, were originally officers for the administration of justice, or of the army. Many of those of the North of Germany were appointed by Charlemagne, and were paid with land, others were elected by the people who also rewarded them in the same manner; most of the inhabitants of Germany were originally free allodial possessors, who frequently resigned their lands into the hands of certain chiefs, on condition of those chiefs protecting them. The property of the church was also possessed by the clergy, on condition of performing certain services for the people, such as teaching them, praying for them, &c. It was from such sources that the nobles and sovereigns of Europe originally derived all the land cultivated by other people; this property they are bound to administer for the service of the people.

Most of the sovereign princes of Germany have a large domain. The king of Prussia has sold or given away much of

his. The elector of Hesse Cassel is supposed proportionally to possess the most. The tithes also mostly belong to the sovereign. All the metal produced throughout Germany is monopolized by the sovereigns. When the mines are not the property of the monarch, all their produce must be delivered to him, and sometimes at a fixed rate. Most of the manufactories of cast and wrought iron, porcelain, and salt, carried on for account of the sovereigns, who are also owners of large portions of territory, and sole proprietors of most of the forests.

BAVARIA.

On the subject of the finances of this kingdom, we only possess the following information.

The annual income for the last year was	 fl. 35,107,720
The expenditure amounted to	 34,998,500

Surplus of receipts over the payments	fl. 109,220
---------------------------------------	-------------

The civil list costs	 fl. 2,745,000 annually.
And the army	 7,724,453

The military establishment of the kingdom being 47,535 men, of which 7823 were cavalry, but the effective force does not exceed 22,384 men.

The surface of the kingdom of Bavaria extends over an area of 1409 square German miles, and it contains 3,560,000 inhabitants.

The following is a statement of the public debt of Bavaria at the commencement of the present year.

To capitals and Deposits	 fl. 95,793,622 54½ kr.
Arrears of interest	 2,734,790 25½
	98,528,413 20½

And in the lower main circle—

To capitals and deposits	 7,167,551 32½
Arrears of interest	 44,460 52½
	7,212,012 24½

Together	 105,740,425 45
----------	----------------------

2 R

Against which the establishment of public credit held the following assets—

Funds in cash	15,422,785	35½
Interests to receive	3,027,994	59½
	18,450,780	35½

And in the circle of the lower main—

In Cash	448,185	39
Interest to receive	94,157	35½
	542,343	35½
Together	18,993,124	10½
Leaving the balance of debt	fl. 86,747,301	34½

Or about 8½ millions sterling.

WIRTEMBERG.

The revenue of this kingdom, as submitted to the States general by the minister of finance in the budget for the year 1820, was 10,028,453 florins, of which 2,400,000 are derived from direct contributions, 3,000,000 from indirect taxes, and 2,721,000 from national domains; the expenditure of that year amounted to 10,542,521, shewing thus a deficiency of 514,068 florins, which the Assembly of the States were requested to cover; of this expenditure the following were the principal items.

Civil list	fl. 800,000
Interest on the public debt	1,967,000
Pensions	618,804
Ministry of the interior, including the charges of public instruction, of the clergy, bridges, highways, and <i>gendarmérie</i>	2,000,000
Ministry of war	2,000,000

And to supply the above deficiency it was proposed to levy a tax of 20 kreutzers on every 5 florins income, or 100 florins

capital, on property, and of 2 per cent. on the amount of all salaries.

Of the 800,000 florins of the civil list an amount of 70,200 is paid in the shape of timber and corn. The king has besides a family estate yielding 200,000 per annum, 45,000 of which is paid away in taxes and pensions. The endowment of the crown amounted to 371,187 florins, not including the palaces.

The budget of 1821 presented a total receipt of 12,081,816 florins, and an expenditure of 12,595,883, of which the army required 2,226,983.

The kingdom of Wirtemberg contains $355\frac{1}{4}$ square German miles, and 1,397,564 inhabitants, residing in 133 towns, 1603 villages, and 1882 hamlets, and 2320 estates, having together 306,477 houses.

Of the land constituting this kingdom.

2,300,000 Morgens	are Arable land.
680,000	 Pasture.
96,000	 Garden ground.
85,000	 Vineyards.
1,736,000	 Forests and woods.

Together	 4,897,000 morgens, or about 3,160,000 acres.
The total value of which is estimated	 at fl. 601,080,000
The buildings	 200,000,000
The cattle	 297,828,000
Capital employed in trade	 160,000,000
Floating ditto	 5,000,000
Invested in foreign securities	 4,800,000

Constituting an aggregate national property of fl. 1,268,708,000

or near £127,000,000, about one sixth part of which is public property.

The total gross produce of the land and other property, is estimated at fl. 91,003,000, yielding a net revenue of	 18,200,000
And the trade there is derived a revenue of	 1,370,000

Making a total of fl. 19,570,000

About one quarter of which is paid to the state in the shape of direct or indirect contributions, of which at the commencement of the present king's reign there were eleven

different descriptions, producing annually 3,525,668 florins, but reduced at present to eight, yielding 3,064,151 fl. 58 kreutzer; it is calculated that every Wirtemberg subject contributes annually about 4s 6d to the state, and each family pays on an average 20 florins.

GRAND DUCHY OF HESSE CASSEL.

The following is a statement of the budget of this state, as fixed for the years 1821, 1822, and 1823.

RECEIPTS.

Revenue of the National Domains	fl. 1,910,635
Regalia	25,260
Direct taxes	2,603,107
Indirect ditto	1,299,903
Incidentals	157,605

Together fl. 5,996,510

The annual expenditure amounts to 5,975,735 amongst which are the following items.

Army	1,086,933
Civil list	591,604
Appanage	213,834
Expenses of the States	15,000
Reserve fund	110,000

The amount of the state debt bearing interest is about thirteen millions of florins, (£1,300,000).

GRAND DUCHY OF BADEN.

In the budget for the year 1820 the amount of receipts and expenditures was fixed for both at fl. 9,469,000, there being no excess or deficiency; but in the budget presented to the states for 1821, there appeared a deficit of 233,000

florins, (about £23,000); the revenue for that year was stated at 9,472,000, including the following extraordinary taxes laid on to meet the above stated deficiency.

Duty on pensions and salaries	fl. 177,000
Lottery	25,000
Additional tax on wood	34,000
Together	236,000

The public debt of this state amounted in the year 1820 to 16,147,000 florins; 1,763,000 of which were paid off in that year and in 1821, and would, with what further reductions were to take place this year, be reduced on the first of June, 1822, to 14,383,000 (about £1,400,000).

In the month of August, 1820, the States of Baden gave their sanction to a loan of five millions of florins, contracted by the sinking fund establishment with the houses of J. Goll & Sons, of Frankfort, and the Court banker Haber, of Karlsruhe, of which one and a half millions were to be applied to the re-payment of the debts of the establishment; this loan, bearing five per cent. interest, is to be repaid by 23 annual drawing of lots with prizes, the last of which is to take place on the 1st of September, 1843.

The finances of Baden have always been conducted with the utmost regularity, and no interruption of the engagements of the states has ever taken place, even during the most distressing periods of the war. The management of the public debt is completely under the controul of the public, and every holder of a certain amount of government securities, is at liberty at any time to inspect the books.

The budget for 1822 gives the revenue at 10,355,288 fl. and the expenditure at 13,065,697; amongst the latter the civil list figures for 1,180,852, and the army consisting of 11,723 men for 1,855,000. The superficies of this state is 272 square German miles, containing 1,020,000 inhabitants.

KINGDOM OF SAXONY.

The total amount of Saxony cash notes in circulation throughout the whole territory of the kingdom, in its former state was 22,857,626 rix dollars 1 grossch, of which, according to the treaty of the 24th of August, 1819, Prussia took over 6,196,854 rix dollars 22 gs. 5 pf. leaving Saxony to provide for 16,660,771 rix d. 2 gr. 7 pf. ; their debts called *steur creditcassen schulden* bear no interest, but are taken in payment of duties.

By an edict of the 1st of October 1818, respecting the issue of new cash notes, it was enacted that from the 1st of July, 1819, that 2,500,000 rix dollars in notes should be circulated, secured upon the revenue of the excise, and as they were to be discounted in specie or presentation, it was expected they would soon reach par.

We have no account of the general state of the finances in this kingdom. In 1811 the king of Saxony endeavoured to negotiate at Paris a loan of 12 millions of francs, on account of the Duchy of Warsaw, but was only completed to the amount of between 7 and 8 millions, and in which individuals participated for 4,140,000 francs. This loan was secured upon the produce of the salt mines of Welisla. In the treaties of 1814 and 1815 this object was not taken into consideration between Russia and France, but two additional articles regulated the interests of the Duchy of Warsaw, the result of which was that the reciprocal pretensions relative to Poland should be regulated by commissioners of the two nations, who should meet at Warsaw.

The following statistical notions respecting Saxony are taken from a work by Dr. Hassel. Its extent is 1352 square miles, it contains 1,232,644 inhabitants, has preserved most of its manufacturing districts, and the richest of its mines, but it now produces very little corn and no salt.

The revenues are derived from domains, under which term are comprehended several estates ; from regalia, such as mines, forests, tolls, the port, &c. and from several

taxes, the principal of which, however, is a land tax. The amount of the whole does not now exceed seven millions of rix dollars, or about 1,000,000 sterling. The debt amounts to thirty-three millions rix dollars, from 5 to 6,000,000 sterling, the taxes are unequally levied, the high and small nobility being almost totally exempted.

The king is obliged by law to call on the states for their advice when he wants to levy new taxes. The domains and regalia are not all in his hands, many still belonging to the high nobility; some of these, as the house of Shounburg, have a right to tax their vassals, paying a third of the tax to the crown.

KINGDOM OF HANOVER.

THIS kingdom contains 11,045 square geographical miles, and 1,314,124 inhabitants.

The revenues of the kingdom of Hanover are derived from the domains and from taxes. The former are regarded as the private property of the sovereign, which he may dispose of in what manner he pleases.

Prior to the French occupation, the domanial income was computed at 1,875,000 cassen thalers, about £312,500 sterling; at present it is estimated at 3,000,000, rather more than £500,000. There are seven descriptions of taxes, viz. a land tax; excise; tax on brewing and distilling; tax on salt; stamp duties; customs; and a tax on income and on persons; the whole amount of which is estimated at 3,000,000 thalers, constituting with the domanial revenues an aggregate of 6,000,000 thalers, or about £1,000,000 sterling. The charge of collecting the taxes is about 11 per cent.

The management and administration of the property belonging to the crown, which is called domains, is entrusted to the *kammer* (chamber). In this property is included regalia, certain rights to forests, salt, metals, tolls, and some other privileges, together with rather more than one-sixth of the whole land of the ancient dominions, without including that which did belong to religious corporations, and which is now under the controul of the king.

The known and certain debts of the old provinces of Hanover, including Osnabrück, amounted in 1813 to 10,677,463 thalers. The new acquired provinces have also some debts; and some have been contracted since 1813, the

amount of which is unknown. They are roughly estimated, together with the old debts, at the sum of 20,000,000 thalers, or about £3,300,000 sterling; they bear interest at 4 per cent.

The following are some of the items to which the produce of the taxes is devoted, though the whole expenditure is not accurately known.

Interest of the debt	thalers 800,000
War department	1,400,000
Justice	128,000
Public worship and Education	65,000
States	50,000
	2,443,000

The other part of the expenditure, namely, the ministry, and the greater part of all the servants of government, are paid out of the revenue of the domains.

In the year 1807, a forced loan was opened in the principalities of Grubenhagen, and in the county of Hohnstein, by the French Commissary Neuvier, and in the other districts of the electorate, by the Intendant Belleville, which not being acknowledged by the present government of the country, fruitless applications were made to the French government for a restitution of the amount thus compulsorily raised. It was agreed with the approbation of the Duke of Cambridge to make some compensation to such inhabitants of districts which were not ceded to other countries since 1813, namely, to such of the lenders who continued in possession of the receipts and vouchers granted by the French authorities, or of the bonds given in exchange for them on the Westphalian liquidation fund, to their heirs and assigns, 75 per cent. of the amount of their advances; to those, however, who had come in possession of such vouchers by transfer or cession, 25 per cent., in obligations of the general national fund, at the rate of 4 francs per thaler, and bearing interest at 4 per cent. per annum, from the 1st of January, 1820.

The quantity of the yearly produce of the mines of the Harz, belonging to Hanover, is estimated at $6\frac{1}{2}$ marks of gold, $2039\frac{1}{2}$ marks of silver, 3205 hundred weight of lead, 1416 ditto of copper, 2987 ditto of zinc, and some hundred weights of sulphur, copperas, and potash. Hanover also possesses some other iron and copper works, which may supply 700 weight of copper, 500 ditto of brass, and 2000 ditto of iron.

DUCHY OF SAXE WEIMAR.

This State contains 368 geographical miles, and 45,000 inhabitants. The prince is an independent sovereign, and a member of the German Diet ; his revenue is £27,000 per annum.

DUCHY OF OLDENBURG.

This dukedom only covers a surface of 1840 square geographical miles, and 217,000 inhabitants. The revenue is supposed to amount to 1,200,000 florins, or £120,000 sterling ; 30,000 of which is raised by a royal toll on the land at Wildeshausen, and 6000 by one on the Weser at Elsfleth. The army amounts to 1650 men.

HANSE TOWNS.

Of these, **FRANCFORT** contains 47,372 inhabitants, with a revenue of £80,000 sterling.

LUBECK has 43,127 inhabitants, with £37,000 revenue.

HAMBURGH 129,739 inhabitants, and £100,000 revenue.
And

BREMEN 46,270 inhabitants, with £40,000 revenue.

D E N M A R K.

OUR information respecting the state of the Danish finances is unsatisfactory. The general situation of that country was far from flourishing during the war, and the government was under the necessity of having recourse to extensive issues of paper money, which, exceeding the resources of the state, fell into discredit, and gave rise to various operations calculated to embarrass the treasury still more.

As the public debt of this kingdom is so closely connected with its paper currency, the following account of the Bank and paper circulation, will be found to convey some general notions on the subject.

On the 31st of July, 1818, the amount of paper money in circulation was estimated at 31 millions of rix dollars; but a loan in bank-notes was opened by the Directors of the National Bank in February, 1820, for the purpose of withdrawing part of them, upon the following terms: Bank-notes to be taken at their nominal value, and exchanged against bonds, bearing 5 per cent. interest, to be paid in specie or silver. These bonds to be irredeemable, but the bank to be at liberty to pay them off, on giving three months previous notice, and it was signified to be the intention of the bank to pay off a certain proportion of them annually, according to circumstances, the bonds thus redeemed to be determined by lot. The dividends on these bonds are paid half-yearly, on the 11th of December and June; about six millions of rix dollars paper were withdrawn from circulation

by this operation. But there were issued in Denmark at different periods a great number of notes and bills, as the exigencies of the moment required, known under the name of Schleswick Holstein treasury notes, Altona specie bank-notes, ditto *assignationen*, old Danish currency notes, Holstein *Leihinstitutions zettel*, Holstein debentures, Rigsbank notes, &c. With regard to the latter, however, it was made known on the 3d of May, 1820, that all those of 10, 5, and 1 Rigs bank dollars, as likewise the tokens of 24, 12, and 8 current shillings each, circulating throughout Denmark, Iceland, and the Ferro Islands, were to be exchanged within six months, against national bank-notes, as they would not be current after that period.

Bank.

The bank of Copenhagen was founded in 1736, with a fund of 500,000 crowns current money. In 1745 it was released from the obligation of discharging its notes in coin, but it continued still to make advances to the state and to individuals, by which its shares became greatly enhanced in price, to the prejudice of the public, their dividends being so considerable as to raise the shares to three times their original value. In 1773 the king returned their deposits to the share-holders, and became sole proprietor of the bank; at that period its issues in paper amounted to 11 millions of rix dollars, being nearly twenty times as much as its metallic capital, which was then 600,000 crowns, yet government extended these issues to 16 millions, in consequence of which specie entirely disappeared, and small notes of 1 dollar were put in circulation.

The evil having reached its height in 1791, it was enacted that the bank should make no further issues, and a progressive liquidation of the paper was ordered. A new bank, called the Danish Norwegian Specie Bank was erected by shares, with a capital of 2,400,000 specie rix dollars; this

bank is independent of government, who, however, reserve to themselves the right of inspecting its affairs. The directors in making oath on entering their office, are formally released from their oath of allegiance to the sovereign, in as far as concerns the affairs of the bank; its notes are payable on demand in standard coin, or in notes of the old Royal Bank, at their market value. This bank is enjoined to regulate its issues in the proportion of $1\frac{2}{7}$ to 1 on the specie in its coffers, so that for every 100 rix dollars in money 190 rix dollars in paper may be circulated. The old bank was to withdraw annually to the amount of 750,000 rix dollars of its notes. It was hoped by these means to deliver the state in less than fifteen years of the load of its paper currency, and to substitute in its stead notes exchangeable at pleasure against the legal coin of the kingdom.

The result did not answer the expectations; in 1804 the new notes were at a discount of 25 per cent. whilst the notes of the old bank had fallen 45 per cent. below, and the depreciation continued to increase, so that in October, 1813, eighteen hundred rix dollars in old paper money were offered for one dollar in specie.

In 1813 a new bank was established, under the direction of the king, and therefore entitled the Royal Bank of Denmark; its chief object was to reduce the paper then in circulation, which was depreciated to 1-6th of its nominal value, and in a new issue the dollar was equivalent to $\frac{5}{8}$ of the old paper dollar, which reduced the composition to $\frac{4}{8}$. In 1817 this Royal Bank was converted into a National Bank, by making a certain proportion of the property of the kingdom a guarantee for the liquidation of its paper.

For this purpose all property was to pay 6 per cent. to the bank; and until the capital is paid off the interest charged for each deficiency is $6\frac{1}{2}$ per cent. per annum. Valuation of property in this case is regulated by the public taxes; and all the payments are to be made in silver, or in paper of the full value of silver, according to a certain rate of exchange, which is fixed quarterly; but as this institution engages to

pay off 1 million of Rigsbank dollars annually, persons paying in their quota at the bank are allowed a drawback of 5-6ths of the taxes on property.

This bank issues its own notes, which are gradually paid off; and it is intended, when the new paper is entirely redeemed, to issue notes payable to bearer on demand. All revenues and great transactions are paid in this paper, according to the rate of exchange. This rate is called Rigsbank silver value, which may be sometimes more and sometimes less than the Rigsbank dollar. All private contracts and current transactions are understood to be settled in such paper, unless real silver be stipulated for; likewise all payments to public actuaries and to the army; but custom house duties are settled in silver money.

In January, 1821, the debts of the bank were computed as follows: 1. Seven millions of Rigsbank dollars of public stock, which it has undertaken to pay. 2. Seven millions of bonds for the redemption of the former paper money of Holstein, &c. 3. A debt of seven millions lately contracted for the diminution of the bank-notes in circulation. 4. The bank-notes in circulation are computed at 22 millions.

The capital is estimated at 33 millions of Rigsbank dollars; and the bank is besides computed to possess about three millions in silver and in buildings. The surplus of its annual revenue, the principal part of which arises from the interest of its security or real estates, is employed in the reduction of the bank-notes in circulation. The contributors of 6 per cent. from estates as well as voluntary contributors, are share-holders, and are equally entitled to interest.

This bank advances money on bills of exchange and other paper securities, and on gold and silver bullion.

With regard to the public debt of Denmark, independently of what is connected with the government paper money, we think it is confined to the amount of two loans, contracted at Hamburgh in 1818, for sixteen millions of marks

bance; 14 millions of which bear five per cent. interest, and the remaining six millions are at the rate of six per cent.

The amount of which in sterling is about	1,153,000
Adding the loan contracted for in this country in 1821.....	3,000,000
Together.....	4,153,000

The land tax in Denmark produces annually 1,479,360 dollars specie, and the aggregate of the land which pays this general tax, is, according to official estimate, 104,958,164 dollars.

With regard to the loan negotiated in this country, we cannot do better than insert a copy of the general bond, executed by the King of Denmark, for the amount of the debt thereby contracted. It is as follows :

We, FREDERICK THE SIXTH, by the Grace of God King of DENMARK, of the Vandals and Goths, Duke of Schleswick, Holstein, Stormarn, Ditmarse, Lauenburg and Oldenburg, &c. do declare and make known by this our present General Bond, for us and our heirs and successors, to all whom it may concern :

That we have resolved, in order to further the important improvement which already has taken place in the currency of our realm, to raise a loan of Three Millions Pounds Sterling in London, and the same has been negotiated in our name and for our account with the bankers A. F. HALDIMAND & SONS, of London, who have, according to the contract with our councillor of court George Gerson, and sanctioned by us, placed the amount of the loan at the disposal of our treasury, which we acknowledge by the present bond to have received according to the said contract; and we direct and authorize our directors of the public debts and the sinking fund, to grant special bonds for three million £ sterling, the amount of this loan, payable to the bearer, and countersigned by the bankers, A. F. Haldimand & Sons, namely, for two-thirds of the said loan as follows, viz.

A No. 1 to 5000	5000 bonds of.....	£100 each....	£500,000
B — 1 — 2000	2000 ditto —.....	250 —	500,000
C — 1 — 1000	1000 ditto —.....	500 —	500,000
D — 1 — 500	500 ditto —.....	1000 —	500,000
			£2,000,000

with the eighty-two half-yearly dividend warrants attached to the same; and for the remaining one-third in Marks Hambro' Banco, estimating the £ sterling at 14 Marks Hambro' Banco, at the rate of 27 marks and 12 shillings Hambro' Banco equal to a Cologne mark of fine silver, special bonds as follows, namely,

E No. 1 to 5000	.....	5000 bonds of Marks Banco 1400 each	..7,000,000
F — 1 — 2500	.....	2500 — „ — 2800	— ..7,000,000
			<u>Mks. Bco. 14,000,000</u>

with eighty-two half-yearly dividend warrants attached thereto.

Although this loan is made for three million £ sterling, and the securities we have pledged for the redemption of the capital and interest of the whole are more than adequate for that purpose, we hereby engage that one-half of the entire loan shall not be issued by us, or by our heirs and successors, until the year 1825, when the special bonds for the same may be forwarded to London, and are to be countersigned by the bankers A. F. Haldimand & Sons.

We engage for ourselves, and our heirs and successors, that the interest on this loan of three million of £ sterling shall be paid in London by our agents B. A. Goldschmidt & Co. at the rate of 5 per cent. per annum, from the 30th June of the present year, in half-yearly payments, to commence on the 31st December of the present year, and to continue every 30th June and 31st December of each succeeding year, on presentation of the dividend warrants when due, and free of all expense to the holder of the same. Those which are in Marks Hambro' Banco to be reduced to sterling at the price in London on the day when due of the ounce of standard silver in bars, and one Cologne Mark of fine silver, to be estimated at 27 marks 12 shillings Hambro' Banco.

We further engage for ourselves, and for our heirs and successors, that the repayment of the capital of this loan shall take place in such manner that the whole shall be repaid within the period of forty years from the 30th June, 1822. For this purpose we engage to purchase, through our agents in London B. A. Goldschmidt & Co. bonds to the amount of £60,000 sterling annually for the ensuing twenty-five years, £90,000 sterling annually for the succeeding ten years, and £120,000 sterling annually for the last five years, such annual purchases of special bonds to be made by equal half-yearly amounts; the first half-yearly amount to be laid out or completed on or before the 31st December, 1822, and to be continued half-yearly, till the expiration of the said forty years.

We reserve to ourselves, and to our heirs and successors, the right of purchasing special bonds to any greater extent than as above mentioned, and also to pay off the whole or any part of the loan, at 100 per cent. on giving six months notice thereof, in which case we engage that those bonds which are in marks Hambro' Banco shall be paid off in silver in bars, reckoning the Cologne mark of fine silver at 27 marks 12 shillings Hambro' Banco.

As a security for the redemption of this loan and interest, we hereby pledge to the creditors at large, in our name, and for our heirs and successors to the crown, specifically and exclusively,

- I. The whole of the revenues arising from our tolls of the Sound, or Sound dues, and all other profits and emoluments arising from that source of revenue.
- II. The mortgages and other securities on the West India Plantations for money advanced by us to the planters and proprietors of estates.
- III. The nett revenue of our West India Islands of St. Thomas, St. Croix, and St. John's.

The produce of which three heads of revenue has, for the last six years, upon an average, exceeded the sum of £250,000 sterling annually. The specification of these revenues is to be annexed to the contract ratified by us; and we have ordered to be delivered over, as security, mortgage documents, duly executed, of the revenues above mentioned, which are to be deposited for safe custody in the Bank of England, together with this our general bond, under the seals of our Envoy Extraordinary and Minister Plenipotentiary for the time being, of the bankers A. F. Haldimand & Sons, and of a Notary Public. And we further pledge, by these presents, all other revenues of our states, save those already specially assigned for other purposes.

In the redemption of the loan, the following plan is to be adopted: the special bonds which are to be purchased in London are, on each 30th June and 31st December, or as near thereto as practicable, to be destroyed in the presence of our Ambassador or Envoy for the time being in London, of our agents B. A. Goldschmidt & Co. and a Notary Public, by being cut into halves, one of which shall be remitted to our directors of the public debts and the sinking fund, and the other deposited in the Bank of England, until the whole loan is repaid. On the expiration of each period of repurchase, the numbers and amounts of the special bonds so cancelled are to be published in the *London Gazette*. We reserve to ourselves, and to our heirs and successors, the right, when part of the loan is paid off, to reclaim a proportionate part of the securities pledged for the same, the revenue arising from our West India Islands to be first restored, and then the mortgages on West Indian estates.

We hereby declare ourselves, and our heirs and successors, debtors to all those concerned in the present loan of three million £ sterling, for the amount expressed in each special bond, and we acknowledge ourselves, our heirs and successors, bound to every person who shall for the time being, be a holder of one or more of these special bonds, for the punctual payment of the principal and interest of each, according to the tenor thereof.

We further hereby bind ourselves, and our heirs and successors, to the performance of all the foregoing engagements, in the most solemn manner, and do declare, that no judicial pleas whatever, privilege in suits, or any pretence,

shall avail us, or our heirs and successors, in pleading and counterpleading, all which we formally and deliberately renounce, as well as any plea by whatever name it may be called, and what is contrary to the tenor of this our general bond.

In faith of which we have signed the present general bond, with our sign manuel, and have caused our great seal to be affixed to the same, and it is further to be countersigned by our directors of the public debts and the sinking fund.

Done in our capital of Copenhagen, this 10th day of November, 1821.

(L.S.) FREDERIK R.

N O R W A Y.

Account of a Norwegian Loan for 2,700,000 Marks Banco, negotiated by the Houses of Benecke, Brothers, of Berlin, and Averdieck & Co. at Hamburgh.

THIS loan was raised under the immediate guarantee of the Norwegian nation, conformable to the acts of the Storting of the 7th and 11th September, 1818, and with the approbation of the King of Sweden and Norway.

For the amount of this loan, the Norwegian government granted to the contractors three obligations, namely,

One for 900,000 Banco Marks, date 1 March, 1820	}	Bearing interest
900,000 1 May, 1820		at 5 per cent.
900,000 1 July, 1820		per annum.

Upon the faith of which 2370 smaller bonds were issued by the contractors as follows :

390 Bonds of 3000 Banco Marks each....	together	1,170,000
390 1500		585,000
390 1200		468,000
390 600		234,000
810 300		243,000
2370 Bonds		2,700,000

To which were attached half-yearly warrants of interest, payable in Hamburgh, by the contractors of that city.

The re-payment of the loan to be effected in half-yearly instalments, increasing yearly in proportion to the diminution of interest on the remaining capital, beginning on the 1st of September, 1821, and ending on the 31st of December,

1840, the reimbursement to be made at the option of the government, by the extinction, by purchase, of so many of the smaller bonds as may amount to the sum to be redeemed at each instalment, notice thereof being publicly given. And in the event of the bonds being at par, their repayment to be divided by lots at stated periods.

The securities for the due payment of the interests and principal of this loan, were several hundred private bonds, amounting together to 900,000 specie rix dollars, secured upon mortgage or real estates in Norway, valued at 1,350,000 specie rix dollars, transferred to Messrs. Benecke, Brothers, and by them deposited together with the above-mentioned three original bonds of 900,000 marks, with the Handelsgeriht at Hamburgh, in order to be sold in the unhopd for event of the non-receipt of the sums necessary for the regular discharge of the interest and amount of redeemable capital, and in the contrary case to be returned to the Norwegian government, in proportion as the reimbursements are made.

As a further security, the government of Norway, by virtue of a royal rescript, valid till the entire re-payment of principal and interest on this loan, pledges the total receipts of customs, and duties on consumption of the kingdom of Norway, for which purpose a commission appointed on the part of the government on the one hand, and of Messrs. Benecke on the other, is stationed at Christiania, which is authorised from the 1st day of March, 1820, to receive the said amount of duties, and to appropriate, after deducting the sum of 160,000 specie rix dollars, disposed of by a previous engagement, expiring on the 31st of January, 1821, so much of the receipts arising out of said revenues, as shall be requisite for the half-yearly payment of interest and redemption on the afore-mentioned loan. The annual amount of these duties is estimated at 800,000 specie rix dollars, only one-tenth of which amount is required for the purpose of this loan.

The commission of Christiania consists of five members, four of which are selected out of eight individuals proposed by Messrs. Benecke, whilst the fifth member being charged with the special power and authority of these gentlemen, is nominated exclusively by them.

The receipts for the first month amounted to more than was necessary for the first half-yearly payments. The sum received by the commissioners in May, 1820, was 109,076 specie rix dollars $54\frac{3}{4}$ sh.

Those of the month of August were 102,940 rix dol. $52\frac{3}{4}$ sh., of September 98,280 rix dol. $38\frac{1}{2}$, of October 81,637 rix dol. 32 sh. specie.

In their sitting of the 18th of August, 1821, the Norwegian Diet, with only a few dissentient votes, authorised the king to open a new loan for the kingdom of Norway, to the amount of 200,000 Norwegian specie dollars.

On the 8th of July, 1822, a loan of one and a half millions Mark Banco was contracted for the service of the Norwegian government, by the house of Hambro & Sons.

The Bank of Norway was instituted in 1817, with a capital of 2 millions specie dollars. The amount of notes in circulation of this Bank, was about 3 millions of specie dollar notes.

UNITED STATES OF AMERICA.

AT the close of the war, when the United States became an independent nation, their commercial as well as political situation was new, and they had many difficulties to encounter. During a contest of more than seven years, their commerce was annihilated, their shipping nearly destroyed, public credit impaired, and a vast debt accumulated upon their hands. In April, 1783, the debt of the United States, exclusive of State debts, was estimated at 42,000,375 dollars, and the annual interest at 2,415,956 dollars. No funds had at this time been provided for the payment either of the interest or principal of this debt. (The advances made from the treasury during the war were principally in a paper medium, which was called Continental Money, and which in a short time depreciated). Congress in vain made requisitions upon the States, for money to fill the public treasury; the interest of the debt was, therefore unpaid—public credit was gone; the debt itself was considered of little value, and was sold by many of the original holders for about one tenth of its nominal value. In a report made to Congress by the board of treasury, dated September 20th, 1787, it is stated, that the requisition upon the States, for the payment of the interest of the domestic debt, in the years 1783, 4, 5, and 6,

amounted to the sum of	6,279,376 dollars
whilst the aggregate payments on account of them were	1,003,725

leaving a balance due of no less than 5,275,651 dollars

But after the establishment of a new constitution was agreed upon, and carried into operation on the 4th of March, 1789, the progress of national as well as individual prosperity has kept pace with the increase of population.

The first House of Representatives, under the new constitution, directed the secretary of the treasury, to propose and report a plan for the support of public credit, which was accordingly done on the 9th of January, 1790, and which report became the basis of the various laws passed by Congress for funding and paying the public debt.

By this report, the whole debt of the United States, foreign and domestic, liquidated and unliquidated,

was estimated at	dollars 54,124,464
The principal of the foreign debt was dol.	10,070,307
Arrears of interest to 31st December, 1789 ..	1,640,071 62
	11,710,378 62

The foreign debt consisted of loans from governments and individuals in Europe, as follows :

Capital Sums borrowed.

Of the royal French treasury, at 5 per cent.		
interest	livres 24,000,000	
In Holland, guaranteed by the French Court		
at 4 per cent.	10,000,000	
	livres 34,000,000	dollars.
		6,396,396
Of the royal Spanish treasury, at 5 per cent.		174,011
In Holland—first loan, at five per cent. flo.	5,000,000	
..... second loan, four per cent.	2,000,000	
..... third loan, five per cent.	1,000,000	
..... fourth loan, five per cent.	1,000,000	
	9,000,000	3,600,000
		10,070,307
The arrears of Interest on the above were		1,640,071 62
The principal of the liquidated domestic debt		27,383,917 74
Arrears of interest on ditto to the end of 1790		13,030,168 20
		52,124,464 56
The unliquidated debt was estimated at		2,000,000
Making together.....		54,124,464 56

On the 14th of August, 1790, Congress passed an act, making provision for the debt of the United States. This act proposed a loan of the whole of the domestic debt. The terms of the loan were that two-thirds of the principal of the debt subscribed should draw an interest of six per cent. per annum, from and after the 1st day of January, 1791, and the remaining third of the principal to receive interest at the same rate from and after the year 1801; the interest to be paid quarterly; and that so much of the debt subscribed, as consisted of arrears of interest, should from the 1st day of January, 1791, bear an interest of three per cent.

By the same act, Congress assumed twenty-one and a half millions of the debts of the several States; and the sums assumed were apportioned to each State. This sum was also to be loaned to the United States, by the individuals who held certain evidences of State debts, on the following terms, viz. Each subscriber to be entitled to one certificate for the sum, equal to four-ninths of the sum subscribed, bearing interest at the rate of six per cent. per annum, commencing the first day of January, 1792; to another certificate, for a sum equal to two-ninths of the sum subscribed, also bearing six per cent. interest, to commence in the year 1800; and to a third certificate, for three-ninths of the sum subscribed, bearing interest at the rate of 3 per cent. from the 1st of January, 1792. This act at first limited to one year, was afterwards extended, till the whole debt should be subscribed. On the 31st of December, 1794, the amount of the domestic or original debt of the United States, which was subscribed and funded according to the provisions of the law (including the debt standing to the credit of individual states, being balances found due to them on a final settlement of accounts between them and the United States, and including also, that which, previous to that time, had been purchased by the Commissioners of the Sinking Fund) was as follows, viz.

Six per cent. Stock	dollars	20,925,894 32
Deferred Stock		10,462,947 61
Three per cent. Stock		13,394,280 01

The amount of funded assumed debt (including that purchased or redeemed by the Commissioners of the Sinking Fund) on the 31st of December, 1794, was

Six per cent. Stock	dollars	8,120,836 23
Deferred Stock.....		4,060,417 84
Three per cent. Stock		6,090,560 07

Nominal amount of Stock together....	63,054,936 75
Redeemed by purchase	2,265,022 57

Total due December 31st, 1794 60,789,914 18

The total amount of *unredeemed* debt, both foreign and domestic, and the particulars of which it consisted on the 31st of December, 1794, were as follows, viz.

Foreign debt.....	dollars	14,599,129 35
deduct instalments of foreign debt in the year 1795, to be paid out of proceeds of foreign debt	853,750 —	
		13,745,379 35

Funded domestic debt, viz.

1. arising from original domestic debt subscribed to loan proposed by funding act.

Stock bearing present interest of six per cent.	17,912,138 01
.... .. future	8,538,228 97
.... .. interest at three per cent.	12,275,347 55

2. arising from State debts, assumed.

Stock bearing interest at 6 per cent.	7,908,374 19
.... .. future	3,940,608 96
.... .. interest at 3 per cent.	5,994,115 70

3. arising from balances to Creditor States.

Stock bearing present interest at six per cent.	2,345,056 —
.... .. future	1,172,528 —
.... .. interest at 3 per cent.	703,516 80

60,789,914 18

Unsubscribed debt, viz.

Principal, exclusive of loan office certificates, bearing interest, on nominal value	1,072,583 40
Interest thereupon, including indents	452,826 74
Principal of loan office certificates bearing interest on nominal sum ...	27,935 —
Interest thereupon	7,830 —

1,561,175 14

Total of unredeemed debt..... 76,096,468 67

The United States, by the terms of the loan, reserved to themselves the right of paying the six per cent. and deferred

stock, in any sum not exceeding eight per cent. per ann. both on account of principal and interest ; and the three per cents. were redeemable at the pleasure of the government.

The secretary of the treasury, in his report of January, 1790, on the subject of funding the debt, proposes not only that funds be appropriated for the punctual payment of the interest, but that *permanent funds* be also provided for the ultimate extinction of the debt itself.

On this subject he says, " Persuaded as the secretary is, that the proper funding of the present debt will render it a national blessing, yet he is so far from acceding to the proposition in the latitude it is sometimes laid down, that 'public debts are public blessings,' a position inviting to prodigality and liable to danger and abuse, that he ardently wishes to see incorporated, as a *fundamental maxim* in the system of public credit of the United States, that the creation of a debt should always be accompanied with the means of extinguishment. This he regards as the true secret for rendering public credit immortal ; and he presumes that it is difficult to conceive a situation in which there may not be an adherence to the maxim ;—at least, he feels an unfeigned solicitude that this may be attempted by the United States, and that they may commence their measures for establishment of credit with the observance of it."

In pursuance of these views of the secretary, provision was made by law, first for the punctual payment of the interest of this debt, and afterwards for the reimbursement and redemption of the principal ; and funds were appropriated and pledged for those purposes.

Prior to 1795, the permanent duties on imported articles, the tonnage duties, the duties on spirits distilled within the United States, and on stills, after reserving out of the same 600,000 dollars per ann. for the support of the government of the United States, and their common defence, were appropriated and pledged.

1st. For the payment of the interest on Foreign loans.

2d. For the payment of the interest on stock created by the loan of the domestic or original debt of the United States.

3d. For the payment of the interest of the assumed debt.

4th. For the payment of the interest on the balances due to the creditor States.

These appropriations had priorities according to the order in which they are enumerated.

A fund was also created previous to the year 1795, for the redemption of the debt, which was called 'the Sinking Fund,' and was placed under the management of the President of the Senate, the Chief Justice, the Secretary of State, the Secretary of the Treasury, and the Attorney General for the time being, who were called Commissioners of the Sinking Fund. This fund consisted—

1st. Of the surplus of the duties on imports and tonnage to the end of the year 1790.

2d. The proceeds of loans not exceeding 2,000,000 dollars, authorized to be borrowed for that purpose.

3d. The interest on the public debt, purchased, redeemed, or paid into the treasury, together with the surplusses, if any, of moneys appropriated for interest.

4th. The avails of the public lands.

This fund was to be applied by the Commissioners, with the approbation of the President of the United States, as follows, viz.

1st. To purchases of the debt, till the fund be equal to two per cent. of the outstanding stock, then bearing an interest of six per cent.

2d. To the redemption of that stock ; and lastly, to purchases of any unredeemed residue of the public debt.

There was reserved, however, out of this fund, a sum not exceeding eight per cent. per annum, towards the payment of interest, and reimbursement of the principal of the loans made for purchases of the debt. The amount of the debt purchased by the Commissioners of the Sinking Fund, up to 31st December, 1794, was 2,265,022 dollars 56 cents.

On the 19th of November, 1794, President Washington,

in his speech to Congress, at the opening of their session, recommended that further provision be made for the security of public credit, and the ultimate redemption of the public debt: and the secretary of the treasury, accordingly on the 16th of January, 1795, submitted to Congress, a plan for the further support of public credit, recommending the adoption of a permanent system for the ultimate extinction of the whole debt of the United States. For this purpose he proposed an increase of the Sinking Fund, by adding thereto duties on imports and tonnage, on spirits distilled within the United States, and on stills, the avails of the sales of public lands, the dividends on bank stock belonging to the United States, and the interest of the stock redeemed; and that there should be appropriated to the same fund, all monies which should be received from debts due to the United States antecedent to the present constitution, and all surplusses of the amount of revenue of the United States, which should remain at the end of any calendar year, beyond the amount of the appropriations charged upon them, and which, during the session of Congress commencing next thereafter, should not be specially appropriated. That this fund be applied to the payment and redemption of the six per cent. and deferred stock (excluding that standing to credit of the commissioners of the sinking fund, and also that standing to the credit of particular states, on account of the balances reported in their favour by the commissioners for settling accounts between the United States and individual states) according to the right reserved to the United States; that is, to the payment annually, of eight per cent. on account of the principal and interest, and to continue until the whole should be paid and redeemed, and after such redemption; the same fund to continue appropriated, until the residue of the debts of the United States, foreign and domestic, funded and unfunded, should be redeemed and discharged.

The secretary also proposed, that the faith of the United States should be pledged to the creditors, that this fund, should be inviolably applied to the redemption, payment,

and purchase, of the whole debt of the United States, until the same was fully completed: and for this purpose, the said fund should be vested in the commissioners of the Sinking Fund "*as property in trust.*" He also proposed, that all priorities before established, in the appropriations for the funded debt, as between different parts of it after the year 1796, should cease unless dissented from, by the creditors; and that the revenue thus appropriated should constitute a common or consolidated fund chargeable indiscriminately and without priority. And an act to the above effect was accordingly passed by Congress on the 3d of March, 1795.

The commissioners were also authorised, if necessary, with the approbation of the President of the United States, for the purpose of paying any instalments of the debt, which might become due, to borrow the sums required. The reason for vesting the commissioners with this power, is given by the secretary in his report; "It is proposed to authorise the commissioners of the Sinking Fund to provide by new loans for the reimbursement of the instalments which from time to time accrue. This is on the ground that it is essential to the perfection of the system of redemption, that all the means of ultimate execution should be organized in it, and that there should be no need of future provision."

The commissioners were directed to apply this fund—

1st. To the payment of eight per cent. per annum, both on account of principal and interest, on the six per cent. stock, commencing the reimbursement on the 1st day of January, 1796.

2d. To the payment of the loan had of the bank of the United States.

3d. To the payment of eight per cent. per annum, on account of principal and interest, on the deferred stock, commencing the reimbursement on the 1st day of January, 1802, and,

4th. To apply the surplus of the fund towards the redemption of the debt, both foreign and domestic, by pay-

ment, or purchase, until the same should be fully paid and redeemed.

By an act passed the 28th of April, 1796, the commissioners were directed to pay this eight per cent. in the following manner, viz. 1st, By dividends to be made on the last days of March, June, and September, in each year, from 1796 to 1818 inclusive, at the rate of one and a half per cent. upon the original capital. 2d. By dividends to be made on the last day of December, 1796, and from 1797 to 1817 inclusive, on the last day of each year, at the rate of three and a half per cent. upon the original capital, and by a dividend to be made on the last day of December, 1818, of such a sum as will then be adequate, according to the contract, to the final redemption of the debt.

The dividends on the deferred stock, to be made from the year 1801 to the year 1824, in like manner and proportion.

By this permanent arrangement for the final payment of the domestic debt, the holders of six per cent. and deferred stock, were to receive an *annuity* of eight per cent. on their capital, until the whole should be paid. This annuity, it was found on calculation, would extinguish the capital of the six per cent. stock, on the last day of December, 1818, and of the deferred stock, on the last day of December, 1824.

The following was the state of the public debt on the 1st day of January, 1800.

	guilders.	dollars.	
Foreign debt due in Amsterdam and Antwerp.....	26,900,000	10,760,000	
Premium payable on the loan of 9th March, 1784.....	147,900	59,000	
	27,047,900		10,819,000 dol.

Domestic debt, viz.

Six per cent. Stock .. dol.	30,087,650	5
Amount passed to the credit of the Sinking Fund	1,841,607	9
	28,246,042	96

deduct instalments reimbursed to the close of the year 1799	3,215,575 37	
Amount to be reimbursed....	dollars..	25,030,467 59
Deferred Stock.....	14,649,320 21	
Amount passed to the credit of the Sinking Fund	966,376 4	
		<u>13,682,944 17</u>
Three per cent. Stock	19,701,545 1	
Amount passed to the credit of the Sinking Fund	614,836 47	
		<u>19,086,708 54</u>
Five and a half per cent. Stock	1,848,900	
Amount passed to the credit of the Sinking Fund	1,400	
		<u>1,847,500</u>
Four and half per cent. Stock	176,000	
Six per cent. Stock, per act 31 May, 1796	80,000	
Six per cent. Navy Stock, issued	109,200	
ditto ditto to be issued	820,000	
Eight per cent. Stock issued in 1799	5,000,000	
		<u>65,832,820 30</u>
Total amount of the unredeemed capitals of the foreign and domestic debt, on the 1st January, 1820		76,651,820 30

Temporary Loans.

Sums obtained of the Bank of the United States, in anticipation of the revenue, at five per cent.	1,400,000	
Sums obtained at six per cent.	1,840,000	
Sums due on the subscription loan for Stock	400,000	
		<u>3,640,000</u>
deduct cost of 2220 shares owned by the U.S.	888,000	2,752,000
		<u>79,403,820 30</u>
Debt of the United States 1st Jan. 1800		

The following is a statement of debts contracted under the present government of the United States, and of debts of the late government discharged, up to January 1st, 1800, viz.

Debts contracted.

Five and a half per cent. stock, issued for an equal amount due to France	dollars 1,848,900
Four and a half per cent. ditto ditto	176,000
Six per cent. stock, per act of May, 31, 1796	80,000
Navy stock issued and to be issued	929,200
Eight per cent. stock	5,000,000
Temporary loans	3,640,000
Deduct bank shares	888,000
	2,752,000

Amount of debts contracted....dollars 10,786,100

Debts discharged.

Foreign debt, January 1st, 1791	12,343,437 87
Ditto..... January 1st, 1800	10,819,000
Foreign debt reduced	1,524,437 87
Six per cent. stock purchased or redeemed	1,841,607 9
Three per cent. ditto ditto	614,836 47
Deferred stock ditto ditto	966,376 4
Five and a half per cent. stock	1,400
Reimbursement of the six per cent. stock to the close of the year 1790	3,215,575 37

Amount of debts discharged....dollars 8,164,232 84

The five and a half and four and a half per cent. stock, was issued for the balance due to France, on account of the former loans from the French government, during the revolutionary war, and was made payable at the pleasure of the government.

The eighty thousand six per cent. stock was obtained on loan in the United States in 1796, in pursuance of an act of Congress of 31st May of that year. The whole loan authorized by that act, and which was to be made by the commissioners of the sinking fund, was five millions of dollars, to be applied to the payment of the capital, or principal of any part of the debt of the United States, then due, or to become due, in the course of that year, to the bank of the United States, or to the bank of New York, or for any instalment of foreign debt. Of this loan, only the above sum was subscribed, which was irredeemable, until the close of 1819.

The navy six per cent. stock was issued, or agreed to be issued, to certain persons, who built vessels of war for the United States, in the year 1798 and 1799, and for which they agreed to receive in payment six per cent. payable at pleasure ; and hence it has been generally denominated *navy* six per cent. stock.

The eight per cent. stock of five millions, was issued in consequence of a loan, opened in the United States, in pursuance of an act authorising the same, passed July 16th, 1798, and was redeemable after the year 1808.

The temporary loans were in anticipation of the revenue, and for subscriptions to the bank of the United States.

The foreign debt was due in Holland, and was payable there, in unequal annual instalments, the last of which was due in 1809.

In 1800 a further sum of 1,482,500 dollars, was borrowed at eight per cent. in pursuance of an act passed on the 7th of May of that year, payable after 1808.

The funds provided and appropriated for the payment of the debt, subsequent to the 3d of March, 1795, up to 1801, were as follows, viz.

By an act passed March 3d, 1797, additional duties were laid on certain articles imported into the United States, and were appropriated first, for the payment of the principal of the then existing foreign debt ; secondly, for the payment of the principal of the debt then due by the United States, to the bank.

By the act passed 16th July, 1798, authorising a loan of five millions of dollars, and which was obtained at eight per cent. so much of the surplus of the duties on imports and tonnage, beyond the permanent appropriations before charged thereon, were pledged and appropriated for the payment of the interest and principal of the loans, which might be made under the act, according to the terms and conditions of the same. A similar pledge and appropriation was made for the loan, obtained under the act passed 7th of May, 1800, which was obtained at 8 per cent.

On the 13th of May, 1800, additional duties were laid on certain articles imported into the United States, and were solely appropriated for the discharge of the interest and principal of the debts of the United States, before that time contracted, or to be contracted during the year 1800.

In 1801 a new modification of the sinking fund took place. On the 29th of April, 1802, an act was passed by which it was provided, that the sum of seven millions three hundred thousand dollars, should be appropriated annually to the sinking fund ; which sum was to be paid out of duties on merchandise and tonnage, and the other monies, other than surplusses of revenues, which then constituted the sinking fund, or which might accrue to it by virtue of any former provisions. This sum the act declares to be vested in the commissioners of the sinking fund, in the same manner as the monies heretofore appropriated to the said fund, to be applied by the said commissioners, to the payment of interest and charges, and to the reimbursement, or redemption of the principal of the public debt ; and shall continue appropriated, until the whole debt of the United States, and the loans which may be made, for reimbursing or redeeming any part or instalment of the principal of the said debt shall be redeemed. It was made the duty of the secretary of the treasury by this act, to pay to the commissioners of the sinking fund, this sum of 7,300,000 dollars in each year, and at such times, as to enable them to pay the interest and principal of the debts faithfully and punctually, according to the engagements of the United States. The commissioners were to apply this sum annually, in the first place, to the payment of the interest and principal of the public debt, as the same should become due, and also the interests and principals of all loans, which had been or might be made, on account of the debt ; and in the next place, to apply the surplus, towards the further and final redemption, by payment or purchase, of the debt. No purchases, however, of the debt, were to be made above par.

In 1803, the nominal amount of the domestic debt was a little more than seventy millions of dollars, of this 32,119,211 and 25 cents was due to foreigners ; namely,

To the English	15,882,797 95
To the Dutch	13,693,918 30
Other foreigners	2,542,495

Of the residue—

To particular states	5,603,564
Incorporated bodies, in the United States ..	10,090,398 72
Individuals	ditto 22,330,606 36

In the purchase of Louisiana, the United States agreed to pay France fifteen millions of dollars, three millions seven hundred and fifty thousand dollars of which, were to be paid to American merchants, in liquidation of sundry claims upon the French government, and the remainder 11,250,000 to be paid in stock bearing six per cent. interest. To carry this agreement into effect, the necessary amount of stock was issued in pursuance of an act passed on the 10th of November, 1803, and made payable to the assignees of the French government. The interest on this stock was payable in London, Amsterdam, or Paris, and the principal became due in four annual instalments, of not less than three millions of dollars each, the first becoming due in 1818.

By the act which created this stock, a further sum of 700,000 dollars, annually, was added to the sinking fund, for the purpose of enabling the commissioners to pay the interest on the same ; which sum was to be paid out of the duties on imports and tonnage. By this addition, the whole sum to be paid annually to the commissioners of the sinking fund, amounted to 8,000,000 dollars, and was vested in them, for the purpose of paying the former debt, and also the Louisiana debt so called, and was to continue, so vested and appropriated, until the whole was paid. And it was made the special duty of the commissioners, out of this fund, to pay the instalments of the Louisiana debt as they should fall due.

On the 11th of February, 1807, an act was passed, proposing to the holders of six per cent. deferred and three per cent. stocks, to exchange the same for six per cent. stock, redeemable at the pleasure of the government.

For this purpose, books were opened at the treasury, and at the several loan offices, for subscriptions, to the whole amount of the stock standing on the books at the treasury, and at the loan offices. On such subscriptions, the old certificates were to be given up, and new ones to issue, for the unredeemed amount of the six per cent. and deferred stock, due at the date of the subscription, bearing an interest of six per cent. per annum, payable quarterly, and redeemable at the pleasure of the government, with a condition "that no single certificate should issue for a greater amount than ten thousand dollars, and that no reimbursement should be made, except for the whole amount of any such new certificate; nor till after at least, six months previous public notice of such intended reimbursement." For the subscriptions in the three per cent. stock, the subscribers were to receive a new certificate for a sum equal to sixty-five per cent. of the amount of the principal stock subscribed, bearing an interest of six per cent. per annum, payable quarterly, and subject likewise to redemption at the pleasure of the government; with a restriction, however, on the part of the United States, that no part of the stock thus converted, should be reimbursed, without the consent of the holder, until after the whole of the eight per cent. and four and a half per cent. stock, as well as the six per cent. and deferred stock, which might be exchanged under that act, should be redeemed. The sinking fund was also pledged for the payment of the interest and reimbursement of this new stock. Under this act, the amount of unredeemed six per cent. and deferred stock subscribed, and for which new certificates were issued, was 6,294,051 dollars and 12 cents. and which was called *exchanged* six per cents.; and the three per cents. subscribed, at sixty-five per cent. on the amount, produced

1,859,850 and 70 cents, at six per cent. interest, and was called *converted* six per cent. stock.

In 1812, in pursuance of another act of Congress, passed in that year, 2,984,746, dollars 72 cents, of the unredeemed amount of the six per cent. and deferred stock, was exchanged for other six per cent. stock, redeemable after the 31st of December, 1824.

After the United States had concluded a peace with France in 1800, the vast increase of their revenues, arising from duties on imports and tonnage, owing to a rapidly increasing population, and a great extension of their commerce, enabled them to pay off a large proportion of this debt.

The amount of public debt on the 1st day of January, 1812, according to official treasury statements, was dollars 45,154,189, and consisted of the following items, viz.

Six per cent. and deferred stock, unredeemed.....	dollars 17,067,096
Three per cent. stock	16,157,890
Converted ditto.....	565,318
	16,723,208
1796 Six per cent. stocks	80,000
Registered debt, and debt due to foreign officers.....	33,885
Louisiana six per cent. stock	11,250,000
	45,154,189

The payments made on account of the principal of the debt, from 1st April, 1801, to 1st January, 1812, according to treasury statements, amounted to 46,022,810 dollars, and were as follows :

1. Foreign debt paid in full	dollars 10,075,004
2. Eight per cent. five and a half per cent. four and a half per cent. navy six per cent. stock, and temporary loans due on the 1st of April, 1801, to the United States Bank.....	12,657,700
3. Reimbursement of six per cent. and deferred stock....	14,452,123 53
	37,184,827 53

4. For lands purchased.....	74,569 81	
5. Exchanged stock paid in full.....	6,294,051 12	
6. Three per cent. stock, including re- imbursement of converted stock, and deducting converted stock out- standing.....	2,379,269 44	
7. On account of unfunded debt	90,092 58	
		8,837,982 95
	Dollars	46,022,810 48

During the period in which the government paid this sum, no additional taxes of any importance were imposed, except an additional duty of two and a half per cent. on goods imported, paying ad valorem duties, to defray the expenses of the war with Tripoli, and of intercourse with the other Barbary powers, and which was called the Mediterranean Fund. This duty was to cease in three months after the termination of the war with Tripoli, but was continued by various acts of Congress until 1815, when it was suffered to expire, and has been applied to the general expenses of the government.

The sums received into the treasury from 1801 to 1811 inclusive, and which were applicable to the payment of the interest and principal of the debt, amounted to about ninety millions of dollars.

War was declared against Great Britain June 18th, 1812. In anticipation of this event, by an act of 14th March preceding, a loan of eleven millions of dollars, was authorised, at an interest not exceeding six per cent. per annum, reimbursable after the expiration of twelve years, from the 1st of January, 1813. Under this act there was obtained in the course of 1812, the sum of 10,184,700 dollars; of which 2,150,000 dollars was obtained of certain banks, on special contracts, and was payable as follows: 1,350,000 dollars in 1813, 750,000 dollars in 1814, and 50,000 dollars in 1817, and the residue, being 8,034,700 dollars, was funded and made redeemable after the 1st of January, 1825. About

one-half of this last sum was obtained of banks, and the other half of individuals. In the year 1813 the commissioners of the sinking fund redeemed by purchase 324,000 dollars of this stock, leaving the funded stock of the loan 7,710,500 dollars.

On the 8th of February, 1813, a further sum of sixteen millions of dollars was authorised to be borrowed by the President of the United States, without any limitation as to the rate of interest, or any other limitation, except that the United States should not be precluded from reimbursing the same, at any time after the expiration of twelve years from the 1st of January, 1814. This sum was obtained by contract, and principally from individuals, at the rate of eighty-eight dollars for one hundred, viz. for every eighty-eight dollars paid in money, a certificate of stock for one hundred dollars was to be issued, bearing an interest of six per cent. The amount of stock issued for this loan was 18,109,377 dollars 48 cents. making a premium to the lenders of 2,109,377 dollars.

The first offers of the secretary of the treasury for this loan were, that the lender should be entitled to a certificate of stock, at six per cent. interest, and an annuity of one per cent. for thirteen years, for which he was to receive a separate certificate; 531,200 dollars were eventually taken at par, with an annuity of one and a half per cent. for thirteen years. The annuities on this sum amount to 7968 dollars. By an act of 2d August, 1813, a further loan of seven and a half millions of dollars was also authorised, and without any other limitations than were contained in the act relative to the sixteen million loan. This loan was obtained on the following terms, viz. for every 100 dollars received, the United States issued stock of 113 dollars 31 cents, bearing interest at six per cent. and reimbursable at any time, within twelve years after January 1st, 1814.

The six per cent. stock issued on this loan, amounted to 8,498,586 dollars 95 cents, making a premium of 998,581 dollars 95 cents. March 24, 1814, a loan of twenty-five mil-

lions of dollars was authorised towards the expenses of the war for that year.

After two several attempts by the secretary of the treasury, about twelve millions seven hundred thousand dollars only were obtained under this act, and this sum was eventually taken at 80 per cent. viz. for every hundred dollars borrowed, the government was to give one hundred and twenty-five dollars in six per cent. stock, reimbursable at the end of twelve years, from the 1st of January, 1815. The amount of stock issued for the loans under this act was, 15,954,619 dollars 85 cents, making a premium of about 3,200,000 dollars. The loans under this act were so disadvantageous to the United States, and the price of public stock was so depressed, some having been sold in the summer of 1814 as low as from sixty to seventy, that no further attempts were made to obtain the remainder of the twenty-five millions, but treasury notes were directed to be issued to make up the deficiency. The amount of stock issued on these various loans was as follows, viz.

On the eleven million loans	dollars 8,034,700
On the sixteen million loan	18,109,377 43
On the seven and a half million loan	8,498,581 95
On the part obtained on the twenty-five million loan.....	15,954,619 85
	50,597,279 23
The amount received for this stock was about	43,534,700
Making a difference of	7,062,579 23

On the 3d of March, 1815, a further loan of a sum not exceeding 18,452,800 dollars was also authorised; and the secretary of the treasury was empowered to receive in payment for this loan treasury notes previously issued, and which by law were made a charge on the sinking fund; and the stock for this loan was reimbursable, after the expiration of twelve years, from the last day of December, 1815.

The loans obtained under this act were principally in treasury notes at par, and which were received at the dif-

ferent rates, varying with the market price of the notes. The amount of six per cent. stock issued for loans under this act was 12,288,149 dollars 64 cents.

Treasury Notes.

On the 30th June, 1812, the President of the United States was authorised to cause to be issued treasury notes, not exceeding five millions of dollars, to be paid within one year from the time of issuing the same, and bearing an interest of five and two-fifths per cent. per annum.

These notes were to be signed by persons to be appointed by the President, and countersigned by the commissioners of loans for that state, where they were made payable; they were made transferable on delivery, and assignment thereon, by the person to whose order the same were made payable, and were receivable in payment of all duties and taxes, laid by the authority of the United States, and of all public lands sold. A further sum of five millions was authorised by an act of the [25th February, 1813. As a part of the supply for the year 1814, by an act of the 4th of March of that year, five millions were also authorised to be issued; and by the same act, the President was empowered to issue an additional sum of five millions, if he should deem it expedient, to be taken as part of the sum which might be authorised to be obtained by loan during that year. On the 26th of December, 1814, a sum not exceeding 7,500,000 dollars was authorised to be issued; to make up the deficiency of the twenty-five million loan, and in lieu of the three million loan of the 15th November, 1814; and a further sum of three millions, for the express purpose of defraying the expenses of the war department for 1814, in addition to the sums before appropriated for that department. By an act of the 24th February, 1815, the secretary of the treasury, with the approbation of the president, was authorised to issue treasury notes to the amount of twenty-five millions of dollars; those under 100 dollars to be without interest, and transferable by delivery

alone ; those above that sum to bear an interest of five and two-fifths per cent. or to be without interest as the secretary with the approbation of the president, should direct. The small notes, without interest, by this act might be funded at seven per cent., and those bearing an interest under this act, as well as those previously issued, might be funded at six per cent. both reimbursable at any time after the 31st of December, 1824. The secretary was also authorised to re-issue the notes, which might be delivered up and exchanged for funded stock, or paid in for taxes, duties, or demands, and apply them to the same purposes, and in the same manner as when originally issued. The treasury notes issued under the three first acts, were made a charge on the sinking fund, and it was made a duty of the commissioners of the sinking fund to pay them as they fell due. The amount of treasury notes issued under these various acts were as follows, viz.

Under the act of 30th June, 1812.....	dollars 5,000,000
..... 25th February, 1813.....	5,000,000
..... 4th March, 1814.....	10,000,000
..... 26th December, 1814.....	8,318,400
..... 24th February, 1815	4,969,400
Small fundable at 7 per cent..	3,392,994
	36,680,794
Of this sum, it is estimated, that there was paid off funded, and paid in for duties, taxes, and other demands, to the 31st December, 1816, inclusive.....	
	32,980,794
Leaving unpaid January 1st, 1817, by estimate	
	3,700,000

There remained unpaid of the temporary loans on the 1st of January, 1817, 50,000 dollars.

In 1817 so much of any acts as authorised the issuing or re-issuing of treasury notes was repealed ; all those which had or should become the property of the United States, were to be cancelled or destroyed in the manner as the commissioners of the sinking fund should direct.

The whole amount of the debt, therefore, contracted and remaining unpaid on the 1st of January, 1817, was as follows :

Six per cent. stock, per act of 14th March, 1812, <i>unredeemed</i> , (the commissioners of the sinking fund having purchased a small part of the same)	dollars	7,810,500
Six per cent. stock, act of 8th February, 1813.....		18,109,377 43
Ditto ditto 2d August, 1813.....		8,498,581 95
Ditto ditto 24th March, 1814.....		15,954,619 85
Ditto ditto 3d March, 1815.....		12,288,149 64
Ditto treasury note stock 24th February, 1815.....		60,834 02
Seven per cent. stock,..... ditto ditto 1815.....		8,856,960
Five per cent. ditto		7,000,000

Making amount of funded stock dollars 78,579,022 89

The amount of debt contracted before the late war, and remaining unpaid on the 1st of January, 1817, was as follows, viz.

Old six per cent. stock unredeemed .. }	6,532,355 08
Deferred ditto ditto	
Three per cent. ditto	16,158,180 79
Six per cent. stock, per act of 1796.....	80,000
Exchange six per cent. stock, per act of 1812	2,984,746 72
Louisiana six per cent. stock	10,923,500

Amount of old debts 36,678,782 59

Making the whole amount of the public debt, exclusive of treasury notes, January 1, 1817..... 115,257,805 48

Treasury notes funded,

In seven per cent. stock.....	105,538
six per cent. ditto.....	1,127,239 23
	1,232,777 23
	116,490,582 71

The amount of the funded debt on the 1st of January, 1818, subject to a reduction for the redemption of the old 6 per cent. and deferred stocks in 1817, the accounts of which had not then been adjusted at the treasury, and exclusive of stock to be issued in funding treasury notes, and of three per cent. stock for interest on the old registered or unfunded debt, 15,881,784 50 having been redeemed,

was.... 100,608,798 21

From that period to the 1st of October, 1818, there appears to have been redeemed..... 2,781,478 30

Leaving the funded debt 1st October, 1818, as per treasury report, (see Doc. page 233) 97,827,319 91

Stock issued on the 1st of January, 1819, for treasury notes cancelled.

In 6 per cent. stock	49,024 71	
7 ditto.....	2,646	
		51,670 71

97,878,991 62

6 per cent. Louisiana stock reimbursed		
21st October, 1818	4,997,950	
Deferred stock reimbursed.....	233,863 27	
		5,231,813 27

Unredeemed on the 1st of January, 1819.....	92,647,177 35
From 1st January to 30th September, 1819, there was added to the public debt by funding treasury notes, &c.	36,135 59

92,683,312 94

And redeemed in the same period.....	955,785 43
--------------------------------------	------------

Leaving the unfunded debt 1st October, 1819, as per treasury report, (see Doc. p. 233)	91,727,527 51
--	---------------

According to the President's message in November, 1820, (see Doc. p. 236), it amounted 30 Sept. 1820, to.....	91,993,883
---	------------

But the treasury report in December, 1821 (page 252) states the funded debt at	91,225,560 77
--	---------------

To which was added in the fourth quarter of 1820,		
in 6 & 7 per cent. stock for treasury notes funded	3,280 29	
in 5 per cent. stock	454,467 66	
		457,747 95

91,683,308 72

And redeemed—in deferred stock	249,401 58	
Louisiana ditto	139,490 63	
		388,892 21

Making the unredeemed public debt on the 1st Jan. 1821,	91,294,416 51
---	---------------

To which was added from 1 Jan. to 30 Sept. 1821.

3 per cent. stock for interest on registered debt	26 1	
6 & 7 per cent. ditto for treasury notes cancelled.....	4,454 7	
by loan 1821, taken by the Bank at 6 per cent. premium	4,735,296 30	
		4,739,776 38

Making.....	96,034,192 89
-------------	---------------

Of which there was reimbursed in the same period—

Deferred stock	276,737	15
Louisiana stock.....	2,071,360	
		2,348,097 15

Leaving the unredeemed debt 1st October, 1821

 93,686,095 74

Viz.

When redeemable.

Deferred stock.....	1,753,148	38..	in October, 1824.
3 per cents.	13,295,956	04..	whenever provision is made for the purpose.
6 per cent. 1796	80,000		..after 1819.
Exchanged 6 per cent. 1812.	2,668,974	99..	after 31 December, 1824.
Louisiana d° unapplied for ..	5,558	15..	see Doc. page 252, 10th line from the bottom.
6 per cent. 1812, loan 11 mill.	6,187,006	84..	1st January, 1825.
..... 1813, .. 16 ..	15,521,136	45..	ditto 1826.
..... loan of 7½ million	6,836,232	39..	ditto ditto.
..... 1814 25 & 3 mill.	13,011,437	63..	ditto 1827.
..... 1815 18,482,500	9,490,099	10..	ditto 1828.
Treasury note 6 p. ct. stock	1,464,895	07..	ditto 1825.
..... 7	8,606,355	27..	ditto ditto.
5 per cent. stock, subscrip- tion to United States } Bank	7,000,000		{ at the pleasure of the govern- ment, sinking fund not ap- plicable thereto.
6 1819	2,000,000		
5 ditto	999,999	13	
Ditto per act 3d March, 1821	6,735,296	30..	after 1st January, 1835.

Dollars....

 93,656,095 74

Difference

 30,000

(See Documents, p. 252)

 93,686,025 74.. at a charge of 5,722,857 27

The following items no longer constitute portions of the public debt of the United States, viz.

1. The foreign debt ;
2. The five and a half per cent. stock ;
3. The four and a half per cent. stock ;
4. The navy six per cent. stock ;
5. The eight per cent. stock ;
6. The exchanged six per cents. created prior to 1812; and
7. The converted six per cent. stock.

The loans obtained for the United States are authorised by special acts of Congress; in which the sum to be borrowed, the

rate of interest, the period of redemption, and every other particular are enumerated. The dividends are payable quarterly, on the 31st March, 30th June, 30th September, and 31st December, and is regularly paid at the treasury of the United States, or at the loan offices in the different states.

Sinking Fund.

Since 1803, and until March 3d, 1817, the sinking fund consisted of a permanent annual appropriation of eight millions of dollars. This sum was applicable first to the payment of the interest, and the residue to the payment or purchase of the principal of the public debt; that part only therefore, which was applicable to sink or lessen the debt, by payment or purchase of the principal could, in strictness, be called a sinking fund. The funds from which this sum was paid, were,

1st. The fund arising from the <i>interest</i> on the debt redeemed by payment or purchase, and which passed to the credit of the commissioners of the sinking fund, and amounted in 1813 to	1,932,107 92
2d. The fund arising from the sales of public lands, which in 1813 was.....	830,761 53
3d. From the proceeds of the duties on goods, wares, and merchandize imported, and on the tonnage of vessels sufficient to make up the balance.	

If the whole of the eight millions was not expended by the commissioners in any one year, the balance went into the expenditure of the succeeding year. After paying the interest and reimbursement of the debt, and such parts of the principal as became due by contract, it was made the duty of the commissioners to apply the balance of the eight millions.

Congress declared, by the act of November 15, 1814, authorising a loan of three millions of dollars, for which stock was to issue, reimbursable in twelve years, "That in addition to the annual sum of eight millions of dollars, heretofore appropriated to the sinking fund, adequate

and permanent funds shall, during the present session of Congress, be provided and appropriated, for the payment of the interest, and reimbursement of the said stock created by this act." And by the same act, Congress declared, "that an adequate and permanent sinking fund, gradually to reduce, and eventually to extinguish, the public debt contracted, and to be contracted, during the present war, shall also be established during the present session of Congress." And by subsequent acts passed during the same session, an annual direct tax of six millions of dollars, and most of the internal taxes, were pledged "towards establishing an adequate revenue, to provide for the payment of the expenses of government, for the punctual payment of the public debt, principal and interest; contracted, or to be contracted, according to the terms of the contracts respectively; and for creating an adequate sinking fund, gradually to reduce, and eventually to extinguish, the public debt contracted, and to be contracted," &c. "and were to remain so pledged, until other taxes and duties, equally productive, were provided and established by law, for the same purposes."

The stock redeemed by payment or purchase, has, until March 3, 1817, in the treasury books, passed to the credit of the commissioners of the sinking fund, the interest of which, as before stated, has constituted in their hands, a part of the sinking fund.

The amount thus redeemed and passed to their credit on the 1st day of January, 1814, was dollars 33,873,463 98.

On the 3d day of March, 1817, "An act to provide for the redemption of the public debt," was passed by Congress. By this act, all acts making appropriations for the purchase or reimbursement of the principal, or for the payment of the interest of the funded debt of the United States are repealed, and the annual sum of ten millions of dollars is appropriated to the sinking fund, and is vested in the commissioners of that fund in the same manner as the monies heretofore appropriated to the said fund to be applied by them to the pay-

ment of interest and charges, and to the reimbursement or purchase of the principal of the public debt; and it is made the duty of the secretary of the treasury to pay said sum of ten millions, at such time in each year, as to enable the commissioners to pay the interest and principal, in conformity with the engagements of the government. This sum of ten millions is to be paid "from the produce of the duties on merchandize imported, and on the tonnage of vessels, and from the proceeds of the internal duties, and of the western lands."

In addition to this annual sum of ten millions, the same act appropriated to the sinking fund for the year 1817, a further sum of nine millions of dollars, to be paid out of any money in the treasury, not otherwise appropriated, to be applied by the commissioners, to the purchase or redemption of the public debt. And by the same act, the secretary of the treasury was authorised, if he deemed it expedient so to do, to cause to be paid to the commissioners of the sinking fund, at any time during the year 1817, a further sum, not exceeding four millions of dollars, as an advance to that amount, on the appropriation of ten millions, payable in the next year, to be applied by them to the purchase and redemption of the debt. The same act also further provides, "that after the year 1817, whenever there shall be at any time after an adjournment of Congress in any year, a surplus of money in the treasury, above the sums appropriated for the service of such year, the payment of which to the commissioners of the sinking fund, will yet leave in the treasury, at the end of the year, a balance equal to two millions of dollars, then such surplus shall be, and the same is hereby appropriated to the sinking fund, to be paid at such times as the situation of the treasury will best permit, and shall be applied by the commissioners thereof, to the purchase or redemption of the public debts."

Whenever there shall be a surplus in the sinking fund, after payment of the interest and principal in each year, according to the engagements of the government, the same is

to be applied by the commissioners, to purchase the debt, at its market price, provided that there be not paid for three per cent. more than sixty-five dollars for every hundred dollars principal; for six per cent. stock more than the par or true value thereof; and for seven per cent. stock "there shall not be paid an advance above the par value thereof, which shall exceed, for every hundred dollars of stock, the computed value of an annuity of one dollar for a number of years, equal to that during which the stock so purchased will not be reimbursable at the pleasure of the government, estimating in such computation, the interest of money at six per centum per annum." And by the same act, all certificates of public debt, which, by payment or purchase, have become, or hereafter shall become, the property of the United States, are to be cancelled or destroyed by the commissioners, and no interest shall be considered as accruing thereon. Provision is made in the act, that nothing therein contained shall be construed to prevent the Congress of the United States, if war should occur with any foreign power, from applying to any object of public service, any surplus of the sinking fund, which may be left in any year, after paying the interest and principal, which may be due according to the engagements of the United States; and also that nothing in the act should be construed to repeal, alter, or affect any of the provisions of any former acts, pledging the faith of the United States to the payment of the interest or principal of the public debt, except that no payments should be made on certificates, which had become the property of the United States.

By this new modification, or, in fact, this creation of a new sinking fund, the annual sum of ten millions of dollars is permanently appropriated to pay the interest, and sink the principal of the public debt, and for the year 1817, the further sum of nine millions was appropriated to sink the principal, and an advance of four millions more was authorised to be taken as part of the ten millions for the year 1818.

The whole of the public debt, by the terms of the original contracts, may be paid by the government, on or before the

1st day of January, 1828, the three per cent. being redeemable at the pleasure of the government.

The whole of the old six per cent. stock was reimbursable in the years 1817 and 1818, the unredeemed amount on the 1st day of January, 1817, being	dollars 2,025,428 30
The six per cent. stock of 1796, was payable at the close of the year 1819, being	80,000 ..
The Louisiana stock was made payable in four annual instalments, of not less than three millions each, the first falling due at the close of the year 1818, the sum remaining due January 1st, 1817, being	10,923,500 ..
The whole of the deferred stock will be reimbursed in 1824, the unredeemed amount January 1st, 1817, being	4,485,076 26
Making the whole amount redeemable, according to the terms of the contracts for seven years, viz. from January 1st, 1817 to 1824 inclusive, the sum of (being on an average dollars 2,502,000 65 per year)	dollars 17,514,004 56

On the 1st day of January, 1825, the following ~~funded~~ debt was originally redeemable, but part has been bought up already; viz.

Stock created by act 14th March, 1812, dollars 7,810,500	
Converted six per cent. stock of 1812	2,984,746
The whole of the seven per cent. stock	8,978,974
Treasury note six per cent. stock, funded to January 1st, 1817	60,727
Making	19,834,947 ..

January 1st, 1826, funded stock to the following amount may be redeemed, viz.

Stock created by act of February 8th, 1813, ...	dollars 18,109,377 43
Stock created by act August 2d, 1813	8,498,581 95
Making	26,607,959 38
January 1st, 1827, the stock created by act of March 24th, 1814, is redeemable, being	15,954,619 85
And on the 1st January, 1828, the stock per act of March 3d, 1815, is payable, being	12,288,149 64
Making the whole amount redeemable, for four years, according to the original contracts, viz. from January 1st, 1825, to January 1st, 1828, (being on an average, dollars 18,671,418 97 per year)	dollars 74,685,675 87

By the act establishing the present bank of the United States, twenty-one millions of funded stock might be subscribed and paid in by individuals, as part of the capital, the six per cent. at par, seven per cent. at dollars 106, 51 for one hundred dollars, and the three per cent. at sixty-five dollars for every one hundred; and by the same act, it was made lawful for the United States to pay and redeem the funded debt so subscribed, "in such sums and at such times," as might be deemed expedient.

The bank, however, has a right to sell and transfer for gold and silver coin, or bullion, the funded stock so subscribed; provided they do not sell more than two millions in any one year, nor sell any part, at any one time, within the limits of the United States, without previous notice to the secretary of the treasury, and offering the same to the United States, for the period of fifteen days at least, at the current price, not exceeding the rates above mentioned.

The sinking fund of the United States differs from that first established in Great Britain, in as far as it is not exclusively applicable to the discharge of specific debts already incurred, the payment of the interest and charges on the debt, being in common with the principal, and upon the plan of many of the sinking fund establishments of the continent of Europe, discharged from that fund. After the fund was raised to 8,000,000 dollars per annum, the charges upon it amounted to 14,524,200, redeemable within the year. In 1817, the interest payable from the fund of eight millions, amounted to 6,084,415 dol. 93 c., leaving only 1,915,584 7, for the redemption of the principal of the debt.*

Bank of the United States.

The old bank was instituted 1791, with a capital of ten millions of dollars, and being limited to twenty years, expired in 1811.

* Annual report of the secretary of the treasury, 16th December, 1816; also Seybert's Statistical annals.

In 1816 a new bank was established, the capital stock of which is limited to thirty-five millions of dollars, divided into shares of one hundred dollars each ; the corporation is to continue till the 3d of March, 1836. The secretary of the treasury subscribed for seventy thousand shares on behalf of the United States, for which payment was made in 5 per cent. stock, giving rise to the seven millions stock alluded to at page 173.

The affairs of this bank are managed by twenty-five directors, five of whom are annually appointed by the President of the United States, and twenty by the stock-holders in the city of Philadelphia.

The company is not permitted to owe at any time, a sum exceeding 35 millions of dollars, over and above the sums due for money deposited in the bank ; they are not allowed to deal in any thing except bills of exchange, bullion, or goods pledged for money lent and unredeemed ; nor may they purchase any public debt whatever, or lend to the United States more than 500,000 dollars. Their rate of discount is six per cent. ; half-yearly dividends are directed to be made out of the profits ; in July, 1817, the directors declared one of 4 per cent. ; in January, 1818, a similar dividend was paid ; and in July, 1818, $3\frac{1}{2}$ per cent. was declared.

The report of the committee appointed to consider the state of the bank in June, 1821, will be found at page 265 of the Documents, and contains such ample details of the affairs of that institution, that it is only necessary to refer our readers to it, for full particulars on the subject. It will be seen that a dividend of only $1\frac{1}{2}$ per cent. on the capital was then declared.

Two and a quarter per cent. has been declared for the last half year, payable after the 11th of July last.

Revenue, Expenditure, and Resources.

Such ample information on this subject will be found in the Documents annexed, that it is not necessary to enter into detail here. The fiscal, or revenue year, in the United

States, commences on the 1st of October, and finishes on the 30th of September of the following year.

The revenue of the United States are derived from the following sources :

1. Customs, comprising duties on merchandise, tonnage, light-house duties, fees for passports and clearances, fines, penalties, and forfeitures, unclaimed merchandize, &c.

2. Internal revenues, viz. duties on spirits, stills, licenses, carriages, snuff, refined sugar, sales by auction, stamps, direct tax, duties on goods manufactured within the United States, on household furniture, plate, and jewellery ; postage, sales of public lands, and fees on letters patent.

3. Loans authorised by Congress.

4. Treasury notes. And

5. Miscellaneous receipts ; under which head are comprised debts due to the United States, under the late government, proceeds of banks and bank stock, profits on the cents and half cents struck at the mint, sales of public stores, prizes, revenue cutters, &c.

The national domains of the United States has been estimated at 400 millions of acres at least, after deducting what may be necessary to satisfy every legal claim against this property. It is divided as follows :

In the State of Ohio	12,300,000 Acres.
..... Michigan territory	16,500,000
..... Indiana and Illinois territory.....	56,200,000
..... Territory West of Michigan	60,000,000
..... Mississippi territory	55,000,000
..... Missouri territory, State of Louisiana, lands east of the Mississippi, and Island of New Orleans	200,000,000
Together.....	<u>400,000,000</u>

At page 231 of the Documents, will be found accounts of the net revenues for the years 1815, 16, 17, & 18.

Those of the following years were,

	1819.	1820.	1821, estimate.
Customs	17,116,702 96		13,068,394 86
Arrears of internal duties.	227,444 1		
..... of direct tax	80,850 61		94,867 26
Public lands.....	3,274,422 78		1,300,980 35
Bank div. and instalment.	675,000 ..	15,284,546 29	105,000 ..
Postage and incidentals..	61,280 33		245,233 37
	21,435,700 69		14,814,475 83
		Loan....	5,000,000 ..
			19,814,475 83

And the expenditures of the last year, for the particulars of which, see Documents, page 251, were estimated at 21,012,937 5.

To the annual treasury report of 1819, to the letter from the secretary of the treasury on the subject of the public debt and sinking fund, with the statements annexed to the reports of the committee of ways and means upon the subject of the revenue of 1821, &c. contained in our Documents of the United States of America, we have now only farther to refer our readers for the most ample authentic information on those subjects which it has been possible to collect.

SOUTH AMERICAN STATES.

On the subject of these states, some interesting information is to be found in the reports drawn up by the commissioners sent out by the government of the United States of America, Rodney, Graham, and Judge Bland, from which we make the following extracts.

BUENOS AYRES.

The territory of the united provinces contains 145,000 square leagues; their population, according to the nearest estimate, amounts to 1,300,000. This state is composed of the provinces of Buenos Ayres, Paraguay, Cordova, Mendoza, Tucuman, Salta, Corientes, Entre Rios, and Banda Oriental.

The following is the general statement furnished by the secretary of the treasury, in pursuance of the order of the supreme director of the state, showing the capitals or funds and branches, which compose the mass of the national revenue, its produce in the year 1817, the expenditures, and the balance remaining in the treasury at the end of the year, with an account of the other funds and capitals of the state, debts and credit.

<i>Branches of the revenue.</i>	<i>Receipts 1817.</i>	<i>Expenditure 1817.</i>
1st Class.	Dollars.	
Balance in treasury 1st Jan. 1817 ..	880 5½	
Tenths and old duty of $\frac{1}{12}$ percent. }		
on silver }		
Fifths on gold	823 4	
Sales of land		
Carried forward	1,703 9½	

Brought over	1,703	9½		
First fruits of civil officers	1,508	7½		
Stamps, ...	17,563	2		
Tavern licences	16,750	2		
Other treasuries	106,647	4		
Ninths of the state	4,276	6		
Invalidos, or insolvencies			260	5½
Bills of exchange	369,427	0½	369,427	0½
Ordinary revenue	885,074	1½	65,143	5
Receipts of the custom house, pledged in the same	1,113,102	3½	1,113,102	3½
Ditto	98,604	6	73,988	4½
Post-office	336,890	3½	336,558	7½
Police	510,156	2	49,484	4½
	3,001,709	0½	2,007,965	7½

*Expenditures charged on the mass of
the revenue.*

Salaries of functionaries	56,164	3½
Ditto of ministers and foreign agents	9,584	5
Ditto of the military and war	453,050	2½
Contingent expenses	430,853	6½

Branches of the second class.

Vacant benefices	17,245	3	6,509	7½
Escheats	1,900	0		
Ecclesiastical first fruits	75	0		
Ecclesiastical dues	111	5		
Temporalities (or glebes)	6,784	2½	8,959	4
Military fund	812	5	11,683	6
Ministerial ditto	4,976	2	4,084	5
Surgeon's ditto	93	5		
Municipal war			60	7½
Deposits	3,479	6	14,306	6
	3,037,187	5½	3,003,224	4½

Abstract.

Produce of all the branches in 1817	3,037,187	5½
Expenditure of ditto	3,003,224	4½
Remaining in the treasury in cash	33,963	1½
In deposits	6,429	2½
In capitals of temporalities, placed at interest, redeemable at 5 per cent	93,359	3½
In unsettled accounts of former years	8,554,404	2½
Amount in property, good accounts, deposits, and sums at interest	8,688,156	1½
Ditto real and personal estate of the common wealth	9,310,472	5½
Carried over	17,998,628	7

SOUTH AMERICAN STATES.

187

Brought forward	17,998,028 7
In advances made by the state treasuries	297,078 7½
Balance on accounts liquidated	759,889 7
Total of the funds of the state ...	19,055,597 5½
Debts of the state	1,438,054 0
Balance in favor of the National fund	17,617,543 5½

Statement of the property and funds of the state, in all their various classes.

In cash, in the treasuries of the state, of the custom-house, post-office, and police	33,963 1½
In good unsettled accounts of former years ...	8,555,404 2½
Deposits	6,429 2½
In capitals of temporalities at 5 per cent. interest	93,359 3½
	8,688,156 1½

In real and moveable estates of the commonwealth.

By value of the effects in the store-houses of the treasury	2,263,104 1½
Of amount in custom-house chests ...	2,233 2½
Of the custom-house, and resguardia, and 15 vessels	12,197 0
Of the marine and fifteen vessels....	188,199 0
By value of the public library.....	158,322 3½
By ditto of the commissariat of clothing	53,462 3½
Ditto of edifices belonging to the state, and under the direction of the secretary of the treasury	928,625 4
Ditto of others in which the state has an interest	70,000 0
Ditto of mathematical instruments...	2,184 4
Ditto of articles belonging to the police	24,017 2½
Ditto to the general account	3,259 4
Ditto of the proceeds of the post-office and buildings	60,895 4
College de la Union, temple, and adjacent buildings, &c.	2,000,000 0
Edifices of the military prison	45,000 0
Furniture of the different offices in the fort or government house	15,000 0
Arms, ordnance and military stores ..	460,149 7
General park of artillery in the capital	1,337,876 3½
Cannon foundry	59,312 3
Manufactory of small arms	88,206 0½
Carried forward	7,772,042 11½ 8,688,156 1½

Brought over	7,772,042 11½	8,688,156 1½
Arsenal	307,535 0	
Military edifices in the capital, and at Ensenade	1,168,981 5½	
Ditto on the frontier	26,000 0	
Effects, &c. in the storehouses of the Commissariat of war	29,655 4½	
Ditto in that of the capital	6,258 0	
	9,310,472 5½	

Advances.

From the state treasury	297,078 7½
-------------------------------	------------

Balances on accounts unsettled.

On those liquidated by the general treasury	62,908 2½	
At the custom house	454,396 4	
At the post-office	16,039 1	
By the collectors of contributions from commerce, from different bo- dies, incomes, bread, and beef...	176,200 0	
Same by the debt due from the state of Chili, as far as liquidated	50,346 0	759,889 7½
	Dollars	19,055,597 5½

Notes.

1. The public lands of the state, which consist of hundreds of leagues in the vast extent of the provinces, and whose value may be estimated at many millions of dollars, are not included in this statement.

2. The whole of the property and funds exhibited relates only to the province of Buenos Ayres, excluding those of Entre Rios, Santa Fé, and Corrientes; without making mention of the estimates of the rest, which amount to many millions, in the produce of their peculiar branches and property of different kinds, on account of some of them being occupied by the enemy, and not possessing sufficient data to state the particulars with accuracy; nevertheless, according to the table made by the general of accounts, in the year 1810, taking the whole of the provinces of the ancient vice-royalty, which at present compose the union, it appears that at that

date the liquidated estimates, without including incomes, lots of ground, capitals at interest, and other funds, but merely the administrable proceeds, amounted to six millions eleven thousand eight hundred and two dollars.

3. No mention is made in this table of the annual revenues of the Cabildo of the capital, which, in 1817, amounted to 367,263 dollars, because, as municipal funds, they have their peculiar destination; leaving, however, a considerable residue, which, in case of necessity by the state, may be appropriated to its use, as also those of the other Cabildos of the union, of which, from the distance and shortness of time, it has not been possible to give an exact account.

4. The amount of public debt acknowledged by the state accrued in former years, until the close of last December, (1817) paid during the administration of the present director, is 1,135,483 $5\frac{1}{4}$ dollars.

5. Although the post-office establishment produces at present, after deducting all expenses, a small balance in favour of the state, this is owing to the franks on ultra-marine communications, and the interruption of intercourse with the provinces occupied by the enemy; but in case of their becoming free, the administration of this capital alone will produce a surplus of 30,000 dollars, and the interior provinces in proportion.

ESTEVAN A. GASCON.

Buenos Ayres, 14th April, 1818.

With regard to the mines we find the following particulars, which are of course applicable to all the South American states. The estimate which is generally formed of the mineral treasures of South America falls short of the truth. No person can set a limit to the quantity of the precious metals which, by a proper application of labour and capital, may be drawn from the bowels of the earth in that quarter of the globe. The want of skill, of means, and of encouragement,

which has stunted the growth of every species of industry under the Spanish dominion, has had a very striking operation on the working of the mines. Many mines have been discovered, from which it has never been attempted to derive advantage; others that were wrought for some time have been abandoned; and even in those which have been continued, the operations have been conducted in so rude and inartificial a manner, that their produce has never come near to the level which, under better management, it would have attained. The mines of Famatina, for instance, situated between San Juan and Rioja, in a minor branch of the Cordillera, have long been known. They are so rich, that the ore obtained from them is nearly pure silver; yet no vigorous and well conducted efforts have been made to turn them to profit. Since the revolution the government advanced some money to miners of slender resources. They began them on a small scale, and in an incomplete manner, yet so great has been their success, that they have been enabled in the course of a few years to pay what they had borrowed, and to continue to prosecute their enterprise. The government are particularly disposed to encourage this branch of industry, and wish to attract to it foreign capital and foreign skill.

CHILI.

The territory of Chili commences on the Pacific, at the mouth of the Rio Salado, thence ascending that river, and extending from it towards Paguill by a line in a north easterly direction, over a portion of the desert of Atacana, beyond the twenty-fourth degree of south latitude, until it intersects the great chain of the Andes, thence turning directly south, and taking for its boundary the summit of the most elevated Cordillera, and continuing along it south, embracing what is sometimes called New Chili, or the land of

Magellan, until it reaches the straits of the same name. Thence returning by a coast of more than two thousand miles in extent, including more than thirty-five rivers, and forming many islands, besides the great one of Chiloe, or the Ancud.

The soil of the valleys of Chili produces wheat and barley; the average production of the former, in the grain country, is estimated at about fifty bushels for one sown, but there is not much Indian corn raised; Chili is no less fruitful in the production of hemp. In all the humid region, and in every part of it where the soil can be regularly irrigated, hemp may be produced in any quantity. The vine also flourishes wherever it can be watered, and is generally cultivated with great profit. The fruit of the vineyards of Chili is very abundant, but the means used for preparing the product for market are awkward, wasteful, and bad; their presses and distilleries for making wine and brandy are rudely managed, and the liquor is generally bad. The raisins when carefully dried are very fine. Figs grow in great abundance and perfection. The olive tree also grows to a great size, and yields abundant crops of very large fruit. Almost all the olive oil used in Chili is made in the country: it is as well tasted as that of Europe, but not so well clarified. The stocks of cattle are every where numerous, particularly from Aconcagua to the southward. Each landholder has a great number of horned cattle. The country is in many respects well adapted to sheep; there are, however, no merinos but large flocks of the common breed.

The husbandry in Chili is in the rudest state, yet the riches even now derived from the labours of the husbandman are immense. There are a few flour mills, but their machinery is extremely simple and rude.

There are so many valuable and productive mines in the province of Coquimbo, and the country north of Aconcagua, that it is called the mining country; but there are mines and lavadores all over the state, which contribute to the general amount, though the actual annual quantity of the pre-

cious metals produced from Chili cannot be accurately estimated, but it is supposed that just before the commencement of the revolution more than three millions of dollars were produced. The copper mines yielded in the year ending 1st May, 1818, forty-one thousand quintals of this metal, and of tin the annual produce is estimated at about five hundred thousand dollars.

The whole receipts of the treasury, according to the accounts furnished by Mr. Yrisarri, are comprehended under nineteen distinct items, and amounted to 2,177,967 dollars, and the total expenditure in the same period 2,119,595, leaving a balance in the treasury of 58,372. The above income, however, it is observed, was during a year of war, and in order to find the ordinary peace revenue, there must be deducted the net amount of the confiscations, the proceeds of the prizes, and the sum raised to purchase arms, together 1,099,624 dollars, leaving thus 1,078,343 as the produce of the ordinary amount of taxation, deducting in like manner from the gross amount of expenditure all the items occasioned by the war, it would appear that the peace establishment cost no more than 407,230 dollars, leaving an excess of receipts over the expenditure of 671,113 dollars.

In a communication Judge Bland had with Mr. Yrisarri, he was assured by the latter, that the revenue of Chili had during the preceding year yielded 4,000,000 dollars, exclusive of some receipts of much importance, which on account of their uncertainty, could not be added.

On the 18th of May, 1822, a loan for a nominal amount of one million sterling was contracted for in this country, by Don Antonio Jose de Yrisarri, envoy extraordinary from the state of Chili, with Messrs. Hullett, Brothers, and Co. of London, for the service of his government, upon the following terms.

That the said loan was contracted for and raised on security of a mortgage bond, to be divided into *ten thousand shares or special bonds* of one hundred pounds sterling each, with interest at the rate of 6 per cent. per ann. payable on the 30th of September, and 31st of March, every year.

All the revenues of the state of Chili are thereby mortgaged and pledged for the payment of the principal and interest on the said loan ; and further, the net revenues of the mint, and those arising from the land tax, or *diezmos*, are especially charged with and pledged for the payment of the interest, and the redemption of the principal.

The treasurers general of Chili for the time being, to be authorised, directed, and bound, by a formal and irrevocable decree of the supreme director and the senate, to collect and keep separate, for the said purposes, the revenues above-mentioned, and not to apply any part thereof to the ordinary or extraordinary expenses of the state, until the sum necessary for the half-yearly remittance to England of the interest, and provision for the sinking fund shall be completed ; and if from any cause a deficiency should occur, at the end of any one half-year, in the amount of the revenues arising from the above sources, the treasurers-general shall be authorised to make good such deficiency out of the general revenues of the state, and no part of such revenues shall be applied to the expenses of the state until the interest and sinking fund of the said loan shall be fully provided for at the end of every half-year. And in order to provide for the redemption of the principal of the said loan, the sum of twenty thousand pounds is to be remitted in every year, in equal half-yearly instalments, to be applied as a sinking fund for the redemption of the bonds in circulation at or under par ; the first of which payments, amounting to ten thousand pounds, to be made on the 30th of September, 1822. The treasurers-general for the time, being especially charged therewith, and with the remittance, under the direction, at the expense, and for account and risk of the government of Chili, to Messrs. Hullett, Brothers, and Co. the agents in London : which remittances are at all times to be forwarded from Chili at least four months before the respective payments fall due.

The amount engaged to be provided for the sinking fund shall, in the first instance, be employed in the purchase of

bonds; and all future half-yearly payments of interest on such bonds are to be added to the amount of interest arising from the total amount of bonds redeemed to that period, the whole of which sums are then to be applied to the further redemption of outstanding bonds, within the next half year. If at any time the bonds should be above par, exclusive of the dividend due, then in order that the sinking fund may continue in operation, the agents in London, together with the envoy for the time being, or some other person authorised by him, or by the government of Chili, shall, in such manner and form as they may think proper, cause it to be determined by lot which of the then outstanding bonds shall be paid off at par: such bonds not to exceed the amount of the then unapplied produce of the sinking fund for that half-year. The numbers thus drawn to be advertised in the London Gazette, and to be paid at par on presentation, with interest for the half-year current at the time of such advertisement, and all further interest on the same to cease. All the bonds so redeemed are to be cancelled and deposited in the Bank of England, in the presence of a notary public, and of the said agents, and also the envoy from Chili, or some other person duly authorised for that purpose, and to remain there until the whole loan be paid off, when the special bonds, together with the general mortgage bond, are to be delivered up to, and be at the disposal of, the Chili government. Nevertheless, if, at the expiration of thirty years from the 31st of March, 1822, any of the special bonds should remain unredeemed by the sinking fund, the government of Chili engages to pay them off at par.

The general mortgage bond, together with the original special power granted by the supreme director of the state of Chili to Mr. de Yrisarri, was deposited in the bank of England, and is only to be given up and cancelled when the whole loan shall have been redeemed.

And it was further agreed by Mr. de Yrisarri, on behalf of his government, that the state of Chili should not raise or contract for any new loan in Europe, unless one-fourth

part of the above loan shall have been previously redeemed ; or unless, in the contract for such new loan, the said government and the contractors for such last mentioned loan shall have agreed, that, out of the first proceeds of the new loan all the bonds of the present one shall be paid off at par, to all those who shall present them for payment, at any time within three months after public notice given of such new loan.

The above is almost verbally the substance of the bonds delivered to the parties interested in the said loan, and to which were attached sixty half-yearly dividend warrants for three pounds each, the first payable on the 30th of Sept. 1822, and the last 30th Sept. 1851.

The contract price for said loan was 70 per cent., so that for every seventy pounds an annuity of six pounds for thirty years was obtained, with the prospect of being paid off at par ; a deposit of ten pounds for every hundred was made immediately, and the remaining sixty was made payable on or before the 31st of December ; but if not made before the 30th of September the holder was not to be entitled to the dividend due on the 30th of that month.

REPUBLIC OF COLOMBIA.

This state is composed of the provinces of Venezuela, New Grenada, and Quito. Its constitution is upon the plan of the United States of America ; the people are governed by a president, vice-president, and the laws emanate from the senate and the congress of the representatives. The judges are appointed for life ; the children of slaves, born after the establishment of the constitution, are declared free ; and a fund is provided for the gradual emancipation of those now living. The ordinary period for which the president is

elected is four years, but Bolivar, the present chief, and the vice-president, have been appointed for eight years.

It appears that during their contest for independence some of the provinces had contracted separate debts, for in the first public act by which the several states now constituting the republic of Colombia were united, the following stipulations are found,

“ The debts which have been separately contracted by the republics of Venezuela and New Grenada, are by this law acknowledged as part of the national debt of Colombia; all public property being mortgaged for their payment, to which the most productive branches of the national revenue are to be applied.”

In the war carried on between these provinces and the Spanish monarchy, purchases of military and other warlike stores were made in this country by Mr. de Zea, their vice-president, in payment of which he granted debentures, bearing ten per cent. interest per annum, and to be received in payment of seven-eighths of the duties on importation in Colombia; the amount for which such debentures was granted is estimated at from five to six hundred thousand pounds, and constituted the first debt contracted in this country on the part of the New South American states.

For the purpose of discharging the principal and arrears of interest upon this debt, as likewise with a view to replenish their coffers, a loan for two millions sterling was negotiated by Mr. de Zea, bearing interest at the rate of six per cent. per ann. and in payment for which the above debentures were received at par, with the interest accrued thereon; the securities pledged for this loan are, the duties of the customs, those on tobacco and salt, and the revenues arising from the produce of the mines; and the bonds are to be paid off at par, commencing in 1830 and ending in 1849.

BRITISH EMPIRE.

The kings of England had long been in the habit of contracting debts, and as far back as the reign of Richard I. the customs and other revenues of the crown, were mortgaged or farmed, to obtain money for the Crusades, but the national debt of Great Britain is co-eval with the establishment of the constitution in 1688, and has ever since been gradually increasing; hence it followed, that the national expenditure always exceeding its revenue, it has grown into a constituent part of its social institutions, so much so, indeed, as to give rise to the generally adopted opinion, that a national debt is indispensable to our independence.

To trace the progress of the national debt of this country through all its ramifications, from its commencement down to the present period, would far exceed the limits we have prescribed to ourselves; we shall therefore confine our narrative to the most striking features of the circumstances which have raised it to its present magnitude.

The first constitutional measures of procuring advances, were by granting annuities either upon lives or for terms of years. The loans thus obtained were considered as anticipations upon the produce of certain taxes; and, as in the infancy of our national debt, their extent was generally re-

gulated by the former produce of the taxes ; so in later times, the amount of taxes was made to conform to the interest of the sums borrowed for the public service.

The establishment of the Bank of England in 1693, is the most striking feature in the finances of this country. The sum advanced, by the Company to Government was £1,200,000, at 8 per cent. ; this institution has since increased in wealth in proportion to the increase of the national debt. It was stipulated in their charter, that at any time after the 1st of August, 1705, upon twelve months notice being given, and upon re-payment of the £1,200,000, with all arrears of interest, their charter should cease ; but as it probably never was in contemplation of government to return this sum, particularly after experiencing the great convenience of such an establishment, we may consider this as the first loan made in this country on annuities in perpetuity, though its rate of interest was subsequently reduced.

The amount of the national debt in 1697 was £19,950,945 19s. 8 $\frac{3}{4}$ d. a great part of which however was charged upon funds that not only paid the interest, but also discharged annually part of the principal.

In 1698 £2,000,000 at 8 per cent. was obtained from the new East India Company, which establishment was to cease upon repayment of the principal, and receiving three years notice after Michaelmas, 1711, which term was since extended to March, 1726, but in 1702 the new and old East India Company were united.

The following account of money borrowed, &c. is taken from Grellier's history of the national debt, to whose work we shall have frequent occasion to refer.

Account of Money borrowed and repaid between 5 November, 1688, and 29 March, 1702; with the Debt remaining in each year.

	Borrowed.	Repaid.	Remaining due,
From 5 Nov. 1688, to 29 March, 1691..	7,882,070	4,755,407	3,126,672
1692..	3,058,291	2,806,941	3,378,022
1693..	4,300,427	3,378,228	4,300,221
1694..	3,188,801	3,573,169	3,915,854
1695..	5,521,826	3,844,492	5,593,188
1696..	4,931,104	1,678,177	8,846,114
1697..	6,647,463	2,569,256	12,924,310
1698..	2,191,171	2,992,155	12,123,326
1699..	1,878,400	2,526,009	11,475,718
1700..	1,028,178	2,121,130	10,382,766
1701..	2,064,937	2,250,506	10,197,197
1702..	1,408,128	1,583,548	10,066,777
	44,100,795	34,034,018	

From the latter period to the year 1711, the history of the national debt furnishes nothing but a succession of expedients to make good the annual deficiency in the revenue by granting long and terminable annuities by way of sale, lottery, tontine, &c. in all manners which the ingenuity of the ministers could devise, with some occasional loans obtained from the Bank and East India Company, and a consequent increase of taxation, arrears, and public burthen.

At that time the South Sea Company was established, according to the plan of which, the holders of sundry government securities should be constituted into a Company, for carrying on exclusively the trade to the South Seas, and were to receive 6 per cent. per annum for their debt, besides the sum of £8000 annually for management. The debts and deficiencies to be provided for by this means amounted to £9,471,325, but the actual stock of the company only was £9,177,967, subsequently raised to £10,000,000.

In 1714 the legal rate of interest was reduced from 6 to 5 per cent. ; and in the following year the produce of various taxes then made perpetual, were united under the name of **AGGREGATE FUND**, and was together, with all public money,

to be paid into the Exchequer, and not appropriated to any other use. The fund thus established, which was the first of the four principal funds into which the revenue was afterwards divided, was rendered subject to the following charges :

The interest on Exchequer Bills ;

Ditto to the Bank ;

£120,000 addition to the civil list revenue ;

Interest on the loan of that year ; and to

The deficiency which might arise in the Bank's original fund ; and the surplus was appropriated to pay off any Exchequer Bills then outstanding.

On the 31st of December, 1716, the principal of the national debt amounted to £48,374,501 8s. 4d. and the annual charge to £3,117,296 12s. 10½d. ; and in the following year some of the most important measures hitherto adopted with regard to the national debt, were resorted to. 1st. By reducing the interest on some portions of it from 6 to 5 per cent. occasioning annual savings as follow :

On the part of the debt due to the Bank.....	£130,532 10 8
On the South Sea capital	100,000 — —
On the general fund for 1 per cent. on a debt of £9,802,814 14 4½ secured upon various duties granted originally for 32 years, but now granted for ever	98,028 2 11½
	328,560 13 7½

And 2dly. By the establishment of the SINKING FUND in the Act of Parliament, 3 Geo. I. c. 7. according to which, various surplusses should be “ appropriated, reserved, and applied to, and for the further discharging the principal and interest of such national debts and incumbrances, as were incurred before the 25th of December, 1716, and are declared to be national debts, and were provided for by act or acts of parliament, in such a manner or form as shall be directed or appointed by any future acts of parliament, to be discharged therewith, or out of the same, and to or for none other use, intent, or purpose whatsoever.” The SOUTH SEA FUND was

also established at this time, by which the duties originally appropriated for the payment of the interest due to that company, were consolidated and made permanent.

The Royal Exchange and London Assurance Companies were incorporated in June, 1720, on condition of their advancing £300,000 between them, to be employed in defraying the arrears in the civil list; and in the same year the celebrated failure of the South Sea plan took place, upon which we shall not dilate, being sufficiently known, and no further connected with the progress of the national debt, than as concerns the origin of the present stock, known by the name of *Old South Sea Annuities*; the whole of the Company's capital amounting to £33,802,203 5s. 6½d. being divided into two equal parts; one to remain as their trading stock, the other to be converted into a joint stock, with annuities at 5 per cent. till 24th June, 1727, then to be reduced to 4 per cent.* and leaving an increase of debt of £3,034,769. 11s. 11d. for the additional capital created in 1719 and 20, by converting the irredeemable annuities into redeemable perpetuities, in conformity with an act passed to that effect, to prevent any impediment in the operation of the sinking fund.

No particular financial operations took place from that period to the year 1727, at the end of which the principal of the national debt amounted to £53,331,155. 17s. 5¼d. and the annual interest to £2,181,602. 16s. 4¾d.

In 1728 and 29, £2,000,000 were borrowed from the Bank on 4 per cent. annuities; in 1731, £1,200,000 on 3½ per cent. annuities and by a lottery; and from 1732 to 1796, the extraordinary resources were provided out of antici-

* £1,000,000 was directed to be taken in 1732 out of the produce of the Sinking Fund, for redeeming a proportional part of the stock of the South Sea Company. And by an act passed in 1733, the capital stock of the Company, amounting to £14,651,103. 8s. 1d. was, after the 24th of June, to be divided into four equal parts, three-fourths of the same amounting to £10,988,327. 11s. 0½d. to be converted into 4 per cent. annuities, under the name of *New Joint Stock of South Sea Annuities*; the other fourth to remain as trading capital.

pations of the produce of the salt duties, and various sums taken from the sinking fund ; in 1737 the 3 per cents. being at from $103\frac{3}{4}$ to 107, the House of Commons came to the resolution, " That all the public funds, redeemable by law, which carry an interest of 4 per cent. per annum, be redeemed according to the respective provisos, or clauses of redemption, contained in the acts of parliament for that purpose, or be converted into an interest, or annuity, not exceeding 3 per cent. per annum, not redeemable till after fourteen years," and, that his Majesty be enabled to borrow any sum of money at an interest not exceeding 3 per cent. to be applied towards redeeming the national debt ; but the bill for that purpose, after two readings to that effect, was lost.

On the 31st of December, 1739, the amount of the national debt was as follows :

	Principal.	Interest.
Capital of the Bank of England at 6 per cent.....	£1,600,000	96,000
For cancelling Exchequer Bills at 4 per cent.....	500,000	20,000
Purchased of the South Sea Company at 4 per cent..	4,000,000	160,000
4 per cent. annuities, 1728 & 29	3,000,000	120,000
Capital of the East India Company at 4 per cent...	3,200,000	128,000
South Sea Stock and Annuities at 4 per cent.....	27,302,203	1,092,088
Long and Short Annuities, Exchequer Bills, Navy and Victualling Debt, &c.	7,352,420	347,937
	£46,954,623	1,964,025

being a decrease of debt of £6,064,532 since 1727, and £217,577 the annual charge.

In 1742 a second attempt was made to reduce the interest on such part of the public funds which paid 4, to 3 per cent. with the privilege of non redemption for 14 years on the greater part of the public debt, but meeting with too much opposition the plan could not be carried into effect ; with regard to the increase of the debt, &c. from the period above-mentioned to the peace of Aix-la-Chapelle, we find in Mr. Grellier's history of the National debt, that £9,000,000 were successively taken from the sinking fund, and £26,018,600 raised by continuing or perpetuating taxes

from the year 1740 to 1748 inclusive, and we copy from the same author the following statement of the amount of the national debt, together with the sums borrowed and paid off in the same period.

	Capital.		Increased by loans.		Paid off.
Dec. 31, 1741 ..	£47,956,146 3 5½	..	£2,400,000 ..	£441,098 6 8	
1742	49,915,047 16 9½	....	2,800,000	641,700 0 0	
1743	52,043,347 16 9½	....	2,800,000	164,100 0 0	
1744	54,679,247 16 9½	....	3,000,000	153,800 0 0	
1745	57,525,447 16 9½	....	3,000,000	168,950 0 0	
1746	60,356,497 16 9½	....	5,400,000	162,000 0 0	
1747	65,593,797 16 9½	....	6,930,000	183,400 0 0	
1748	72,340,397 16 9½				

and on the 31st of December, 1749, the total national debt was £76,128,858 10 11½.

The return of peace having lowered the current rate of interest and the 3 per cents. in consequence rising to par, whilst the 4 per cents. were at 107, the scheme for reducing the interest of the public debts to 3 per cent. was revived and carried into effect by several resolutions of the House of Commons on the 29th of November, 1749, the act passed for this purpose stipulating that the interest should be reduced on all the public debts redeemable by law, then bearing 4 per cent. interest, including the sums due to the Bank and East India company and the South Sea annuities, amounting together to £57,703,475 6 4½; as a similar measure has lately been carried into effect with the 5 per cent stock it may not be uninteresting to our readers to find how the method was adopted on that occasion.

The companies and the proprietors of 4 per cent. stock, upon signifying their consent to the reduction on or before the 28th of February, 1750, were to receive 4 per cent. to the 25th of December following; from that time till the 25th of December, 1757, 3½ per cent; after which 3 per cent., and no part of these debts, except that due to the East India company, to be liable to be redeemed till after the 25th of December, 1757; the time for receiving the assents to this measure was extended to the 30th of May, 1750, on

condition that the interest on the further loans subscribed should be reduced from $3\frac{1}{2}$ to 3 per cent. on the 25th of December, 1755. At the expiration of this second extension of time, there remained still unsubscribed the sum of £3,351,499 12 5, (of which 2,325,028 consisted of Old and New South Sea Annuities) a loan of £2,100,000 was raised at 3 per cent, transferable at the South Sea House, where it still remains a distinct capital, and the Bank advanced the remainder to pay off the above amount.

We have now arrived at what may be considered the origin of the present National debt of this country, for in the session of 1751-2 an act was passed consolidating the following loans, bearing 3 per cent. interest, into one joint stock of 3 per cent. annuities, and the duties upon which they were charged were carried to the sinking fund, out of which the annuities were made payable from the 24th of June, 1752.

3 per cent. annuities	1731	.....	£800,000
	1742	.....	800,000
	1743	.....	1,800,000
	1744	.....	1,800,000
	1745	.....	2,000,000
	1750	.....	1,000,000
			8,200,000
Besides other 3 per cent. annuities to the amount of			937,821 5 1 $\frac{1}{2}$
Making together			9,137,821 5 1 $\frac{1}{2}$

forming the first capital of the present *three per cent. consolidated annuities*.

By the same act, the capitals of the late 4 per cents. payable at the Bank as follows :

	Original amount.	Reduced, in consequence of part being paid off as stated above, to
4 per cent. ann. 1746	 3,000,000	 2,824,428 13 11
1747	 4,400,000	 4,189,365 5 0
—	 1,000,000	 929,276 10 6
1748	 6,930,000	 6,660,006 18 3
1749	 3,072,472	 2,968,496 8 8
	£18,402,472	17,571,573 16 4
were together with other annuities of	....	129,750 0 0
created into a joint stock of	.....	17,701,323 16 4

being the original capital of the present stock of *three per cent. reduced annuities*.

The interest and management on the 3 per cents. was ..	278,585	2	9
And that on the 3½ per cents	629,430	6	9

Together	908,015	9	6
----------------	---------	---	---

This measure produced the effect of raising the value of these stocks, the 3 per cents. in June, 1752, being at 106½, and the new 3½ per cents., late 4, at 107⅞

The following was the amount of the National debt on the 5th of January, 1757.

	Principal.	Interest.
Annuities for long terms	1,836,275 17 10½	136,453 12 8
Ditto for lives & survivorships	108,100 0 0	7,567 0 0
Ditto for two and three lives .. (a)	83,055 14 10½	10,047 12 0
Exchequer bills for interest of old bills	2,200 0 0	
East India capital and annuities (b)	4,200,000 0 0	127,687 10 0
Bank ditto	11,686,800 0 0	398,936 3 5½
Carried over	17,916,431 12 9½	680,691 18 1½

(a) Since expired.

(b) One of the conditions upon which the company consented to the reduction of interest in 1749, as mentioned at page 203, was, that they should be empowered to raise money by the sale of 3 per cent. annuities, to the amount of the debt of the government to the company, the capital of the annuities sold was 2,992,440 5 the dividends on which were paid at the India house. 1,207,559 15 residue of the debt of the public company, consolidated in 1792.

4,200,000 0

(c) Original capital lent to government in 1694 £1,200,000 at 8 per cent.
 Second advance..... 1708 400,000 without interest
 Third ditto, with the power of enlarging their capital 1746 1,600,000 ditto.

Making the original capital	3,200,000
Purchased of the South Sea Company's capital by taking a subscription of the sale of the thereby newly ingrafted stock at 18 per cent. 1722	4,000,000
Advanced to government in 1728	1,750,000 at 4 per cent.
For cancelling exchequer bills delivered, held by the bank at various periods....	500,000 ditto.
Lent government 1729	1,250,000 ditto.
For cancelling exchequer bills 1746	986,800

11,686,800

Brought forward	17,916,431	12	9½	680,691	18	1½
3 per cent. annuities charged on sinking fund	(d) 10,537,821	5	1½	320,585	2	9
3½ per cent d°. 14,984,455 18 4}	(e) 17,701,323	16	4	615,846	0	0
3 per cent d°. 2,716,867 18 0}						
3½ per cent d°. (29 Geo. II)	(f) 1,500,000	0	0	52,500	0	0
South sea stock and annuities ..	(g) 25,025,309	13	11½	878,632	12	0½
Annuities at 3 per cent. 1751 ..	(h) 2,100,000	0	0	64,181	5	0
Life annuities 1745				20,214	10	0
Ditto 1746				40,489	0	0

	74,780,886	8	2½	2,673,140	7	11
3 per cents. 1726	(i) 1,000,000	0	0			

Carried over 75,780,886 8 2½

(d) Amount consolidated, as at page 204	9,137,821	5	1½
Loan of 1755	900,000	0	0
Ditto 1756	500,000	0	0
	10,537,821	5	1½

(e) As at page 204.

(f) Converted into 3 per cent. in 1770.

(g) Original capital of the company	9,177,967	15	4	see p. 199.
Additional stock created in 1715	822,032	4	8	
Ditto 1719	1,746,844	8	10	
	11,746,844	8	10	

Increased by general subscription of the redeemable and irredeemable debts of the nation in..... 1720 26,055,358 16 8½

Purchased by the Bank in 1722 37,802,203 5 6½
4,000,000 0 0

1727 paid off.....	500,000	0	0	33,802,203	5	6½
29	1,000,000	0	0			
31	1,000,000	0	0			
32	1,000,000	0	0			
33	1,000,000	0	0			
36	1,000,000	0	0			
37	1,000,000	0	0			
51	2,276,893	11	7	8,776,893	11	7

25,025,309 13 11

(h) Borrowed towards paying off such proprietors of South Sea Annuities who had not on the 30th of May, 1750, signified their consent to the reduction of interest proposed in 1749.

(i) Raised to cancel Exchequer bills, and since known by the above name.

Brought forward	75,780,886	8	2½
Exchequer bills	700,000	0	0
	76,480,886	8	2½
Being an increase since 1749 of	£352,027	17	3

We shall now be able to follow more regularly the increase of the national debt, which, from the amount above stated, will be found to receive immense additions from year to year.

In 1758-9 the sum borrowed was £6,600,000, being larger than any before raised in this country at one time; the capital created by this loan was £7,590,000, afterwards (by 33 Geo. II, c. 12) added to the 3 per cent. consols; the terms of this loan were about $85\frac{1}{4}$ for 3 per cents.

In the following year a loan of £8,000,000 to meet the supplies was made, by which £8,240,000 stock was created, bearing interest at 4 per cent. for 21 years, and afterwards at 3 per cent.

The supplies still continuing to increase, it was found necessary in the year 1761 to borrow £12,000,000 more, whereof £11,400,000 on 3 per cent. annuities, with £1 2 6 per cent. for 99 years, amounting to £128,250, and being the origin of the present *long annuities*; the additions that have been made since, all extending to the same period, £12,000,000 consols were created by this loan.

Again in 1762 £12,000,000 were borrowed, for every £100 in money the subscribers received £100 stock, bearing 4 per cent. interest, for 19 years, and at the expiration thereof to become 3 per cents. redeemable at par, besides an annuity of £1 for 98 years, by which was created £9,600,000 4 per cent. stock, which was made into a joint stock with that of the year 1760, both of which have since merged into the 3 per cent. reduced annuities, according to the terms of the contracts, and as will be seen in the sequel.

In 1763 provision was made for the discharge of £3,670,739 2s 8d navy, victualling bills, and ordnance debentures, by funding the amount into 4 per cents. subject to

redemption upon six months notice in the London Gazette, by payments of not less than £500,000 at a time. The stock created and discharged was £3,483,553 1s 10d, and in the same year £3,500,000 were borrowed on 4 per cent. annuities, and two lotteries of 35,000 tickets each, but this capital was discharged in 1768 and 1769, in four equal payments of £875,000 each.

On the 5th of January, 1763, the amount of the National debt was as follows :

	Capital.	Interest & management.
Annuities for long terms remainder of original sum	1,836,275 17 10½	136,453 12 8
Ditto for lives, with benefit of survivorship	108,100 0 0	7,567 0 0
Ditto for 2 and 3 lives, remaining ..	75,505 14 10½	9,155 12 0
Exchequer bills for interest of old bills ..	2,200 0 0	
East India Company's capital .. (a)	3,200,000 0 0	97,285 14 4
Ditto annuities at 3 per cent. 1744 (b)	1,000,000 0 0	30,401 15 8
Bank, original fund	3,200,000 0 0	100,000 0 0
D°. for cancelling exchequer bills ..	500,000 0 0	15,000 0 0
D°. purchased of the South Sea company		
..... (c)	4,000,000 0 0	121,898 3 5½
D°. 3 per cent. annuities 1728 ..	1,750,000 0 0	52,500 0 0
D°. 1729 ..	1,250,000 0 0	37,500 0 0
D°. 1746 ..	986,800 0 0	29,604 0 0
3 per cent. consolidated annuities (d)	33,627,821 5 1½	1,027,688 5 8
3 per cent. reduced annuities .. (e)	17,701,323 16 4	540,996 14 0
3½ per cent. annuities 1756.... (f)	1,500,000 0 0	53,343 15 0
Carried over	70,738,026 14 2½	2,259,294 12 9½

(a) 2,000,000 advanced to government in 1698, at 8 per cent. see p 198.
1,200,000 1708, without interest,

3,200,000

(b) Lent in consideration of the term of their charter being extended to 1783.

(c) As at note (c), page 205.

(d) Amount in 1757, as at p. 206 10,537,821 5 1½

Added in 1757, ...	3,000,000 0 0	by loan of that amount.
1758, ...	500,000 0 0	part loan of 5 millions.
1759, ...	7,590,000 0 0	loan of 6,600,000.
1761, ...	12,000,000 0 0	loan of that amount.

33,627,821 5 1½

(e) See page 206.

(f) Paid off 1770.

Brought forward	£70,738,026	14	2½	2,259,294	12	9½
3½ per cent. annuities 1758 (g)	4,500,000	0	0	160,031	5	0
4 per cent. annuities 1760, 1762 (h)	20,240,000	0	0	820,985	0	0
South Sea Stock and annuities .. (i)	25,025,309	13	11½	765,326	3	1½
3 per cent. annuities, 1751 (k)	2,100,000	0	0	64,181	5	0
	122,603,336	8	2½	4,069,818	5	11
3 per cent. annuities 1726 (l)	1,000,000	0	0	30,000	0	0
Life ann. 1745, at 12 years purchase	220,248	0	0	18,354	0	0
Ditto .. 1746, ditto	447,582	0	0	37,298	10	0
Ditto .. 1757, at 14 ditto	456,202	5	0	32,585	17	6
Long ann. 1761, 1762, at 20 d°. (m)	5,034,820	5	0	251,741	0	3
	129,762,188	18	2½	4,439,797	13	8
Navy debt 31st December, 1762 ...	5,929,124	15	1½	88,936	17	4
	£135,691,313	13	4	4,528,634	11	0

From the above period to the year 1776 no fresh loans were made, and the most remarkable finance measure was the consolidation of the long annuities of 1761 and 1762, as stated above, together with the 3 per cent. annuities of the loan of 1761, and an alteration made in the time of paying the interest on the £20,240,000 4 per cents. of 1760 and 1762, in consequence of some inconvenience having being occasioned by the christmas quarter of the sinking fund being always deficient, on account of the charge upon that quarter exceeding the produce, and it was stipulated that

(g) Part of loan of 5 millions expired 1782.

(h) 8,240,000 created in 1760 by loan of 8 millions.

12,000,000 1762 12 millions.

20,240,000, of which sum 1,253,700 was subscribed in 3 per. cent. cons. in 1770.

18,986,300 consolidated with 3 per cent. reduced in 1781.

(i) As at note (g) }
 (k) See note (h) } page 206
 (l) See note (i) }

(m) Original amount in 1761, .. 128,250 0 0 part of loan 11,400,000.
 Added in 1762, .. 120,000 0 0 12,000,000.
 3,491 0 3 not explained.

251,741 0 3

2 D

after the payment of the half year due 5th July, 1765, one quarterly payment should be made on the 10th October following, and from that time in April and October; the funding of navy, victualling, and transport bills into 3 per cent. reduced annuities, by which £1,482,000 stock was created, and a saving of £15,000 per annum made to the public, also took place in that period.

In 1766, £1,500,000 was raised for the purpose of paying off some 4 per cent. stock and navy ditto, by which that amount was added to the 3 per cent. consols; and a similar sum was borrowed in the following year for the like purpose, occasioning a second addition of £1,500,000 3 per cent. consolidated annuities.

In 1767-8 a new arrangement was made with the East India Company, by which they agreed to advance for the use of the government £400,000 per ann. for two years; with this sum and £1,900,000 raised by loan, £2,625,000 bearing 4 per cent. interest, being the remainder of £3,483,553 ls. 10d. created in 1763 was paid off; the capital of 3 per cent. consols increased with £1,900,000 stock, and the duties appropriated to the payment of the interest on the 4 per cents. redeemed were added to the sinking fund.

The East India Company agreed in 1768 to continue their annual payments of £400,000 to government for five years, from 1st February, 1769.

In 1770 £1,253,700 were added to the capital of the 3 per cent. consols subscribed into this stock, in consequence of £1,500,000 $3\frac{1}{2}$ per cent stock, created in 1756, being redeemed.

In 1772 the sum of £1,350,000 was granted out of the sinking fund, to be employed in redeeming £1,500,000 3 per cents., at £90 money for every £100 stock, besides four tickets (charged only at £12 10s.) in a lottery of 60,000 tickets with prizes to the amount of £600,000. It was a favourite part of the plan of raising money formerly, to attach a lottery to the terms: it has, since been abandoned

in this country, but is still frequently adopted on the continent. The proportions of the different stocks redeemed by this operation, were as follows :

Three per cent. consols.	£732,975
Three per cent. reduced	318,300
Old South Sea annuities	194,350
New South Sea ditto	176,325
Three per cent. 1751	78,150
	1,500,000

Two further sums of £1,000,000, each were granted in 1774 and 1775 for reducing the national debt, which was effected in the same manner as the former, but only £88 in money being given for £100 stock, and six lottery tickets instead of four. The stock thus redeemed was—

	in 1774.	in 1775.
3 per cent. consols.	372,350	424,500
3 per cent. reduced	264,950	246,300
Old South Sea annuities	140,900	161,650
New ditto	162,900	124,200
3 per cent. 1751	58,900	43,350
	£1,000,000	£1,000,000

At the commencement of the American war it became again necessary to have recourse to loans, and one for two millions was in consequence raised, by which £2,150,000 3 per cent. consols were created ; £5,000,000 were raised in 1777, giving rise to a like amount of 4 per cent. stock, and an annuity of 10s per cent. for ten years, which expired 5th April, 1787, when it was carried to the account of the commissioners of the Sinking Fund.

In 1778 £6,000,000 were borrowed, by which the capital of the 3 per cent. consolidated annuities was increased with the like sum, and £147,150 7s annuities for thirty years, with £2849 13s. life annuities were given in besides. The next loan, viz. in 1779, was for £7,000,000, for which a similar amount of 3 per cent. consols was granted, indepen-

dently of £5,318, 17s 7d life annuities, and £257,181 1s 5d in annuities for 29 years.

The amount of the loan for 1780 was £12,000,000, and the stock created consisted of £12,000,000, 4 per cents. and £217,500 annuities for 80 years, by allowing the subscribers £1 16s 3d per cent. for that term of years, to which were also added four lottery tickets, at £10 per ticket. In 1781, it was found necessary to borrow the sum of £12,000,000 by increasing the capital of the three per cents. consolidated annuities with £18,000,000, and granting besides £25 four per cent. stock, occasioning an increase of 3,000,000 in that stock.

The remaining part of the four per cent. stock created in 1760 and 1762, being convertible into 3 per cents. in 1781, according to the terms of the contracts, the amount, being £18,986,300, was transferred to the capital of the reduced annuities; and in 1782, £13,500,000 were added to the capital of the 3 per cent. consols, by virtue of a loan to that amount, raised in that year, to meet the necessary supplies, and £181,125 annuities, in consequence of 17s 6d per cent. being granted to the subscribers for 78 years.

The term for which the capital of £4,500,000 $3\frac{1}{2}$ per cent. of the loan of 1758, expiring on the 5th of July, 1782; the amount was also added to the 3 per cent. consols. by virtue of the arrangement made with the holders.

In 1783, government was again under the necessity of negotiating a loan to the amount of £12,000,000, the terms of which were settled with eleven principal bankers, who took £700,000 each; the remainder was divided amongst other bankers, public companies, and the clerks in public offices. The contributors were entitled, for every £100 advanced, to £100 3 per cent. consolidated annuities, £25 four per cent. and 13s 4d. annuity for 77 years, giving rise to the following additional creations of stock:

12,000,000 3 per cent. consols.
 3,000,000 4 per cent. ditto.
 80,000 long annuities

In 1784 Mr. Pitt laid before the house the terms of a loan of £6,000,000, towards making good the remaining expenses of the late war. The stock thereby created was as follows :

5,998,000 3 per cent. consols. £2000 being forfeited by a subscriber, but repaid in 1787.

300,000 4 per cents.

16,500 annuities for $75\frac{1}{2}$ years, at the rate of 5s 6d per £100 subscribed.

In the same year, £6,879,341 19s 6d five per cent. stock was created, by funding £6,397,900 navy, victualling, and transport bills, ordnance debentures, and exchequer bills, at the rate of £107 10s 6d per cent. This is the origin of the stock known under the name of Five per cent. Navy Ann. which, by a late act of the Legislature, have been converted into four per cent. stock, as will be explained in the sequel ; and in the following year, by a similar operation, an amount of £9,865,941 18s 4d. bills and debentures, was converted into £10,990,651 10s 4d five per cent. stock, to be consolidated with the former creation, and irredeemable, until 25 millions of the public debt, bearing either 3 or 4 per cent. interest, shall have been redeemed or paid off.

We have now arrived at the period of the establishment of the present Sinking Fund, and it is necessary to recapitulate the system pursued till then with regard to the existing fund. In 1717 a sinking fund was established for the payment of the national debts incurred before the 25th of December, 1716 ; the fund was applicable to no other purpose whatever. In 1728, it was however charged with the payment of the interest of the loan ; this first violation of the original principle was soon succeeded by others of a more destructive character, by which the design of the institution was frustrated. In 1733, the supplies for the year, amounting to more than one year's produce of the fund, were taken from it. During the war from 1739 to 1748, £9,000,000 of this fund were applied to various branches of expenditure, and again induced parliament, in 1748, to vote, that it

should be applied to no other than the purpose for which it was originally authorised.

About the year 1772, Dr. Price proposed a plan for the redemption of the national debt of Great Britain ; according to him, this object might be effected by the application of a certain sum, annually set apart from the rest of the annual revenue, to be appropriated for the purchase of stock at the current prices ; the interest of the debt redeemed was always to be added to the original sums, to increase the operation of the fund.

In 1786 it was ascertained, from calculations founded on the experience of the preceding year, that a surplus amounting to about £900,000 remained, after satisfying every branch of expenditure. Mr. Pitt adopted the principles of Doctor Price, and proposed by means of taxes, to raise the surplus to 1,000,000, which by commissioners, was to be applied to the purchase of stock in the manner above mentioned.

The commissioners appointed by the act (26 Geo. III. c. 31) are, the Speaker of the House of Commons, the Chancellor of the Exchequer, the Master of the Rolls, the Accountant General of the Court of Chancery, and the Governor and Deputy Governor of the Bank of England for the time being, respectively. The money is directed to be issued to the Bank of England, on their account, in four equal quarterly payments, of £250,000 each, and is to be applied either in paying off such redeemable annuities as shall be at or above par, in such manner as shall be directed by act of parliament, or in the purchase of annuities below par, at the market price, which was the mode chiefly intended to be pursued. The annual million was to be augmented by the dividends on the stock purchased, the annuities for lives or terms as they should fall in or expire, and the sums saved by any reduction of interest ; and the fund to be continued thus increasing till it amounts to four millions per annum ; from which time the dividend on such capital as shall be paid off or purchased by the commissioners, with the annui-

ties that may afterwards fall in, are to be at the disposal of parliament. (*) At the suggestion of Mr. Fox, a clause was introduced empowering the commissioners to subscribe towards any public loan to be raised by act of parliament, upon perpetual annuities, subject to redemption at par; and they were likewise empowered to continue purchasing stock when it should get *above par*. We shall have occasion to advert to the present state of the sinking fund, in describing the operations to which its produce has been made applicable latterly.

The amount of the National Debt on the 5th of January, 1786, was as follows—

	CAPITAL.				INTEREST, &c.			
Annuity. for long terms, as at p. 205	1,836,275	17	10½	..	136,453	12	8	
Ditto for two & three lives	67,155	8	2½	..	8,195	12	0	
Ex. bills, for int. of old bills, as at p. 205	2,200	0	0	..	.....			
Annuities with survivorship	18,000	0	0	..	540	0	0	
E. India Co's capital, } as at p. 205	3,200,000	0	0	..	97,295	14	4	
Ditto annuities 1744 }	1,000,000	0	0	..	30,401	15	8	
Bank, original fund	3,200,000	0	0	..	100,000	0	0	
D ^r for cancelling exch. b. } as at p. 205.	500,000	0	0	..	15,000	0	0	
D ^r purchased of S ^r Sea co. }	4,000,000	0	0	..	121,898	3	5	
D ^r 3 per cent. ann. 1728 }	1,750,000	0	0	..	52,500	0	0	
D ^r 1729 }	1,250,000	0	0	..	37,500	0	0	
D ^r 1746 }	986,800	0	0	..	29,604	0	0	
3 per cent. consol. ann. (a)	107,399,696	5	1½	..	3,282,247	8	10	

Carried over 125,210,127 11 2½ 3,911,626 6 11

(*) An Act was passed in 1802, providing that the fund should accumulate until the then existing redeemable annuities should be paid of.

(a) Amount as at page 208	33,627,821	5	1½	
added in 1766 loan of 1½ million	1,500,000	0	0	
..... 1767 ditto ditto	1,500,000	0	0	
..... 1768 loan of 1,900,000	1,900,000	0	0	
4 per cent. consols. subscribed in this stock 1770				
(part of 20,240,000)	1,253,700	0	0	

39,781,521 5 1½

paid off in 1772 }	732,975			
..... 1774 } see p. 211	372,350			
..... 1775 }	424,500			

1,529,825 0 0

added in 1776 loan of two millions	38,251,696	5	1½	
..... 1778 six millions	2,150,000	0	0	
..... 1779 seven millions	6,000,000	0	0	
..... 1779 seven millions	7,000,000	0	0	

Carried over 53,401,696 5 1½

Brought over.....	£125,210,127	11	2½	3,911,626	6	11
3 per cent. reduced ann.	(b)	37,340,073	16	4	1,141,206	0 0½
4 per cent. annuities.....	(c)	32,750,000	0	0	1,328,421	17 6
5 per cent. ditto 1784 & 85..	(d)	17,869,993	9	10	903,551	10 10½

Carried over 213,170,194 17 4½ 7,284,805 15 4

	Brought over.....	£53,401,696	5	1½
Added in 1781	twelve millions	18,000,000	0	0
..... 1782	thirteen and half millions ..	13,500,000	0	0
.....	for four and a half millions			
	3½ per cent. consolidated into this			
	stock—note (g) page 209	4,500,000	0	0
..... 1783 loan of twelve millions		12,000,000	0	0
..... 1784	six millions (less £2000			
	forfeited)	5,998,000	0	0

107,399,696 5 1½

(b) Amount as at page 208.....	17,701,323	16	4
added in 1765 by funding navy and other bills....	1,482,000	0	0

19,183,323 16 4

paid off in 1772	} see p. 211	318,300
..... 1774 & 75		511,250

829,550 0 0

18,353,773 16 4

Loan of 1760 and 1762, the original amount being			
£20,240,000, at 4 per cent. till 1781, part sub-			
scribed into consols. in 1770 as above, and the			
remainder consolidated with this stock	18,986,300	0	0

37,340,073 16 4

(c) Loan of 1777 £5,000,000—with 10s per cent. for 10 years, and a £10 lottery ticket for every £100.

..... 1780 12,000,000—with £1 16s 3d long ann. per cent. and four lottery tickets for every £1000.

part of 1781 3,000,000, loan of 12,000,000 £25 fours for every £100

..... 1782 6,750,000, ... 13,500,000 50 d° and 17s 6d long ann. for every £100

..... 1783 3,000,000, ... 12,000,000 25 d° and 13s 4d long ann. for every £100

..... 1784 3,000,000, ... 6,000,000 50 d° and 5s 6d long ann. for every £100

£32,750,000

(d) Navy &c. bills funded 1784, at £107 10s 6d per ct. £6,879,341	19	6
..... 1785, 111 8 0.....	10,990,651	10 4

£17,869,993 9 10

Brought over.....	213,170,194	17	4½	7,284,805	15	4
South Sea Stock and Annuities (e)	24,065,084	13	11½	735,974	13	11
Ditto Annuities 1751.....	1,919,600	0	0	58,667	15	6
Long Ann. (valued at 21 years)	14,488,798	2	0	(f) 689,942	15	4
Short d° (valued at 13½ years)	5,535,233	18	10½	410,017	6	7
D° 1777	25,351	11	3	25,351	11	3
Life annuities.....	683,627	0	10	68,363	14	1
	£259,887,890	4	3½	9,273,122	12	0
Independently of 3 per cent. 1736	1,000,000	0	0	30,300	0	0
Navy debt	1,712,489	14	4½	34,249	15	9
Exchequer bills	5,500,000	0	0	174,500	0	0

In 1786 an act was passed, directing that the time of paying the dividends on the terminable annuities should be changed from January and July to April and October, in order to reduce the then existing inequality in the sums falling due on the respective quarter days. And in the following year, at the suggestion of Mr. Pitt, all the former duties of customs and excise, with the exception of the malt tax, and the principal stamp duties, were made to cease from the 10th of May, and the new duties established by the act, with the duties on hackney coaches, hawkers and pedlars, houses and windows, male and female servants, &c. were constituted a fund, to be called the *Consolidated Fund*, out of which all the annuities payable to the public creditors,

(e) Amount as at page 209	£ 25,025,309	13s	11½		
redeemed in 1772—370,575					
..... 1774—303,800					
..... 1775—285,850	960,225	0	0		
leaving	24,065,084	13	11½		
(f) Amount as at page 209 note (m)	£251,741	0	3		
added 1780 part loan £12,000,000					
see note (c) on the other side.....	217,500	0	0		
added 1782	13,500,000	ditto	118,125	0	0
..... 1783	12,000,000	ditto	80,000	0	0
..... 1784	6,000,000	ditto	16,500	0	0
			683,866	0	3
difference.....			6,076	15	1
			689,942	15	4

which had been charged upon the sinking or other funds, were in future made payable, leaving it however to the proprietors, till the 1st of June, to dissent from what might be construed into a change of the security upon which the advances were originally made.

In 1789, £1,002,500 were attempted to be raised by a tontine, but which not succeeding, most of the shares were exchanged for £4 5s annuities for $6\frac{1}{4}$ years, by which an addition of £24,365 5s per ann. was made to the short annuities. In the same year, £187,000 was borrowed, by granting £7 9s 9d per cent. for $18\frac{3}{4}$ years, or £14,001 12s 6d short annuities.

In 1790 Mr. Pitt proposed, in order to make good part of the deficiency of £3,133,000 to appropriate the unclaimed dividends in the hands of the Directors of the Bank, these had been uniformly increasing since 1727, when they amounted to £43,000, in 1774 they were £292,000, in 1786 £314,000, in 1789 £547,000, and in October 1790, there was a floating balance of £660,000; but this plan being disapproved of at the time, it was agreed to accept of a loan without interest, from the bank, of £500,000, as long as a floating balance of that amount should remain in the hands of their cashier. And an act was passed, providing, that, whenever the money remaining in the hands of the bank, for unclaimed dividends, exclusive of those due the preceding quarter, should be reduced under the sum of £600,000, the sum which it was less than that amount to be immediately paid them at the exchequer.

In 1792 a provision was made that, whenever, in future, any money should be raised by loan on perpetual redeemable annuities, a separate account should be kept thereof, and a sum equal to one per cent. on the stock created by such loans, be issued out of the produce of the consolidated fund, to be added to the sinking fund, and if the loan or any part thereof be raised by annuities for more than 45 years or for lives, the same should be valued, and one per cent. of the amount of such valuation also be added to that fund. It

was also enacted, that when the interest on any redeemable stock should be reduced, or the capital paid off, by money raised at a less rate of interest, the saving of interest should be carried to the sinking fund.

On the 5th of January, 1793, the amount of the National Debt was as follows—

	Capital.	Interest & Management.
Exchequer ann. for terms.....	945,725 8 8..	135,103 12 8
Ditto annuities, 1765 (a)	8,640 0 0..	540 0 0
Ditto ditto on lives.....	671,071 16 5..	61,006 10 7
Ditto tontine ditto, 1789 (b)	427,766 13 4..	19,322 7 0½
Bank capital, as at p. 215.....	11,686,800 0 0..	356,502 3 5
South Sea Company, as at p. 217	24,065,084 13 11½.	735,974 13 11
Ditto annuities, 1751 (c)	1,919,600 0 0..	58,373 11 9
3 per cent. annuities, 1726.....	1,000,000 0 0..	30,450 0 0
3 per cent. consol. annuities... (c)	107,399,696 5 1½.	3,264,756 13 9
3 per cent. reduced (d)	41,540,073 16 4..	1,262,786 19 11.
Carried over.....	£189,664,458 13 9½	5,924,816 13 0½

(a) The funding system began by borrowing money on annuities for lives and long terms of years, during the reign of William III. The sums necessary for defraying the expenses of the war in the reign of Queen Anne, were frequently charged on duties already appropriated for a limited time; the sum to be subscribed was generally greater than was required towards the supplies, and the excess formed a part of the fund for payment of the annuities. The original amount was, £444,354 14s 6d per ann. but the greater part was subscribed into the South Sea Company's stock in 1720.—(*Fairman, on the Public Funds.*)

(b) The original sum proposed to be subscribed for was £1,002,500. The subscribers were at liberty to name either their own life or that of any other; the whole number of shares being divided into six different classes. Upon the death of every nominee the annuity falling in was to be distributed equally among the several parties interested, whose nominees were living in the respective class to which the life deceased belonged, until such time as the annuities of that class increased by survivorship to £1000 per ann. on each remaining share, from which time no further benefit was to arise from survivorship, but each annuity to cease upon the extinction of the life entitled to the same. This plan not being approved of, subscribers were allowed to exchange their shares for long annuities of £4 5s for 69½ years.

(c) See note (a) page 215—16.

(d) Amount stated at note (b) page 216 £37,340,073 16 4
 3 per cent. East India annuities, amounting to
 £2,992,440 5s 0d with the residue of the
 debt of the public to the Company, being
 £1,207,559 15s 0d consolidated stock 4,200,000 0 0

£41,540,073 16 4

Brought over.....	189,664,458	13	9½	5,924,816	13	0½
4 per cent. consol. ann. ....(e)	32,750,000	0	0..	1,324,509	7	0
5 per cent. ditto.....(f)	17,869,993	9	10..	901,541	3	4½
Long ann. ....(g)	14,253,371	10	0..	712,668	11	6½
Short ditto, 1778, &c.	4,228,817	14	0..	422,881	15	5½
	258,766,641	7	7½	9,286,417	10	4½
Exchequer Bills	5,500,000	0	0			
Treasury d°	685,936	1	5			
Army & Ordnance.....	722,201	5	8			
Navy Debt	3,344,397	3	5			
	269,019,175	18	1½			

From the above time to the present, we shall have to record a gradually increasing accession to the national debt, having now arrived at the period of the French revolutionary war, giving rise every year to greater deficiencies, fresh burdens, and necessarily increasing supplies. It does not belong to the task we have undertaken to offer any opinions upon the ultimate tendency of the various finance systems which it has been our endeavour to explain; but on looking to the gradual progress of the national debt of this country, it is impossible to refrain from observing how inadequate the means hitherto adopted, and still persevered in are, not only to diminish present burdens, but to enable us to make provision for future emergencies. We have now only to detail the particulars of the sums borrowed year after year for the public service.

	Amount of Loans.			Stock created.			
1793....	£4,500,000	0	0	....	6,250,000	0	0 3 per cent. ann.
1794....	11,000,000	0	0	....	11,000,000	0	0 ditto
					2,750,000	0	0 4 per cent.
					62,791	13	0 long annuities.
1795....	18,000,000	0	0	....	18,000,000	0	0 3 per cent. consols
					6,000,000	0	0 4 per cent. consols
					85,500	0	0 long annuities.
— (*)	4,600,000	0	0	....	3,833,333	6	8 3 per cent. Imp.
					230,000	0	0 Imp. annuities.
carried over—							

(e) As at note (c) page 216.

(f) As at note (d) page 216.

(g) £24,365 5s 0d added by 5,733 shares of the tontine annuities of 1789 exchanged for long annuities in 1790.

(*) For the Emperor of Germany.

BRITISH EMPIRE.

221

brought over—

	Amount of Loans.			Stock created.			
1796 1st—	18,000,000	0	0	....	30,530,000	0	0 3 per cent. consols.
2d—	7,500,000	0	0	....	6,359,625	0	0 3 per cent. reduced
					79,082	7	6 long annuities
1797 (+)	18,000,000	0	0	....	20,124,843	15	0 5 per cent.
	14,500,000	0	0	....	18,125,000	0	0 3 per cent. consols.
					2,900,000	0	0 4 per cent.
					43,500	0	0 long annuities
(‡)	1,620,000	0	0	....	3,669,300	0	0 3 per cent. Imp.
1798....	17,000,000	0	0	....	25,500,000	0	0 3 per cent. consols.
					8,500,000	0	0 3 per cent. reduced
					41,791	13	4 long ann.
1799....	3,000,000	0	0	....	3,000,000	0	0 3 per cent. consols.
					2,642,250	0	0 3 per cent. reduced.
	15,500,000	0	0	....	19,375,000	0	0 3 per cent. consols.
					7,750,000	0	0 3 per cent. reduced.
	142,720,000	0	0		196,834,017	15	10
add floating debt cancel- led & funded in the above period.....	13,029,399	8	0	....	2,305,091	15	9 5 per cent.
					869,859	17	2 4 per cent.
					18,437,874	9	4
together ...	155,749,399	8	0		218,446,843	18	1

Independently of the additions made to the national debt by sums borrowed from the year 1793 to the peace of Amiens, this period includes some of the most important events in the history of our finances.

In 1793 £5,000,000 were voted by the parliament, to be issued in exchequer bills for the relief of the commercial interest, then very much depressed, in consequence of the war, but only £2,202,000 were advanced, of which sum, the merchants of London received £1,000,000, those of Manchester, about £250,000, at Liverpool, 130,000, and at Bristol, only £40,000. The bills carried interest at $2\frac{1}{2}$ d per cent. per day; but that paid by the borrowers was at the rate of 5 per cent. so that the government derived a profit of rather more than £4,000 by the operation; at the same time that some actual relief was afforded to the merchants.

(+) Loyalty loan, irredeemable without the consent of the proprietors, till three years after the five per cent. Navy shall have been paid off.

(‡) For the Emperor of Guernsey.

In the year 1794, a loan of £4,600,000 was raised in this country, for the Emperor of Germany, on the credit of the revenues of his hereditary dominions; and in 1797, £1,620,000 more was procured for the same purpose; in September, 1794, a box was deposited at the bank of England, containing twenty-five mortgage bonds of the bank of Vienna, of 1,600,000 florins each—together, forty millions of florins; and in December, 1795, another, containing twenty-one such bonds, amounting to 21,333,333 florins and 20 kreutzers. The following were the stipulations agreed to by the Emperor, for the payment of the dividends and discharge of the principal of these loans: “Although the redemption of the capital stock of perpetual annuities at 3 per cent. (being the stock created by these loans) is not demandable at any period, we engage, nevertheless, to remit to the house of Boyd, Benfield & Co. the sum of five thousand pounds sterling, monthly, during the term of twenty-five years, for which the annuities shall continue; which sum of five thousand pounds sterling per month, or sixty thousand pounds per annum, shall be applied by the said house, under the direction and controul of five persons, (who shall be appointed by us for that purpose) to the buying up, at the market price, of the bonds bearing interest at 3 per cent. and not only the said sum of sixty thousand pounds sterling per annum, but also the interest accruing from all the bonds which shall have been successively bought up, shall be invariably applied to the purchase of other bonds, for the purpose of thus keeping up an annual sinking fund for the redemption of the said bonds, until their final extinction,” &c. and an act was passed stipulating, that in case of default in payment of the interest and annuity upon these loans, on the part of the Emperor, half-yearly, on the 1st of May and 1st of November, the same was to be paid to the holders of the stock on the 5th of July and January following, which has since continued the case.

The difficulties of the year in 1796, induced the government to have recourse to a compulsory advance of money,

and it was in contemplation to propose to parliament, that all persons possessed of a certain income should be *required* to lend a certain proportion, stated at *one-fourth*, to be repaid at a future period; but on the subject being made known, subscriptions were immediately opened on the 1st of December, and before twelve o'clock on the 5th, the whole sum required viz. 18,000,000 was subscribed, and many more subscriptions were offered. The East India company subscribed £2,000,000, and the Bank 1,000,000; this operation was distinguished by the name of the Loyalty Loan.

The drain of specie occasioned by the loans to the emperor of Germany, and by the apprehensions of an invasion by the French, occasioning a considerable scarcity of the precious metals at the beginning of 1797, reduced the cash and bullion in the bank to £1,272,000, while their notes in circulation amounted to £8,640,250. This circumstance, and the probability of the drain continuing, excited general alarm, and on the 26th of February, the memorable order was passed at the privy council, requiring the bank to suspend their payments of cash; this was unquestionably the boldest and most important financial measure ever adopted in this country, and we may venture to assert that without it the national credit could never have been supported; the immediate effect was, to occasion a considerable rise in the price of the public funds. The affairs of the bank were immediately investigated, from which it appeared that they had a balance in their favour of £3,826,890; one and two pound notes were prepared, to provide an adequate circulating medium, and an act was passed restraining the bank from issuing cash till the 24th of June ensuing, which restriction has since been continued from year to year till 1821, when cash payments were resumed.

In January, 1798, the assessed taxes were tripled, and the act to that effect contained a clause for receiving at the bank voluntary contributions from persons inclined to advance more than the sum they would be assessed at, or to pay their

assessments in advance :—the total amount collected in that way was—

From voluntary contributions	2,826,823	19	4½
Assessed taxes	3,004.873	2	10½
together.....	5,831,697	2	2½

On the 3d of April of the same year, Mr. Pitt proposed his plan for redeeming the land tax; and on the 3d of December following, he brought forward a motion for imposing a tax on income, which was charged with the interest and redemption of a capital, equal to the stock created by eleven millions of the loan of 1799.

In the year 1800, government borrowed £20,500,000, and for every £100 advanced, £110, 3 per cent. consols. and 47, 3 per cent. reduced was given; the amount of stock created was,

22,550,000	3 per cent. consols.
9,635,000	 reduced.

The income tax was charged with the interest and redemption of a capital equal to the stock created by 13½ millions of this loan.

The sum of £28,000,000 was raised by loan in 1801, giving rise to a fresh creation of 35,000,000 of 3 per consols. and 14,210,000 ditto reduced annuities.

In November, 1801, it was again found necessary to fund a considerable part of the outstanding Exchequer bills, by giving £102 15s 7d value in stock of different descriptions, for every £100 principal. The amount of bills funded by this operation, and stock created, was—

£2,227,612	10	0—5 per cent. 1802
4,455,225	0	0—4 per cent.
2,227,612	10	0—3 per cent. reduced.
2,227,612	10	0—3 per cent. consols.
11,138,062	10	0

and in the year 1802, £25,000,000 were again raised, and the capital added thereby to the national debt consisted of

£ 16,250,000	0	0—3 per cent. consols.
15,000,000	0	0—3 per cent. reduced
*1,740,625	0	0—3 per cent. deferred ann.
32,990,625	0	0

We have now arrived at the termination of the first revolutionary war, during which period the most important measures in our whole financial history were adopted, viz. the entering into operation of the new modification of the sinking fund, in 1792, the suspension of cash payments, and levying the income tax. Let us now see what accession of debt was incurred in that period.

Account of the National Debt at Midsummer, 1802. — Increase since 1793.

Five per cent. Navy annuities (a)	£28,125,582	19	7..	10,255,588	9	9
Ditto 1797 & 1802 (b)	22,352,456	5	0..	22,352,456	5	0
Carried over....	50,478,039	4	7	32,608,044	14	9

* 6*l* 19*s* 3*d* being given for every 100*l* advanced, 3 per cent. annuities, to commence from the 5th of January, 1802, and to be then added to, and made part of the 3 per cent. consols; this stock was created with the view of avoiding new taxes, the period when the interest commenced being the time when the short annuities expired.

(a) Amount as stated at page 220.....	£17,869,993	9	10
added in 1794 by funding Navy, &c. bills at 101 p. ct.	1,925,525	12	5
..... 1795	1,609,897	17	1
..... 104 ..	4,414,074	4	6
..... 1796	2,305,091	15	9
	28,125,582	19	7
(b) Loyalty loan of 1797, of 18,000,000—			
£112 10 <i>s</i> 5 per cent. stock.....	20,124,843	15	0
Exchequer bills funded in 1801, with a sub-			
scription of 50 per cent. in money....	2,227,612	10	0
	22,352,456	5	0

This stock was irredeemable, except with the consent of the proprietors, until the expiration of three years after the 5 per cent. Navy annuities, existing at the time, had been paid off or redeemed; and after two years from the ratification of a definitive treaty of peace the proprietors might

Brought forward....	50,478,039	4	7	32,608,044	14	9
Four per ct. consol. annuities (c)	49,725,084	17	2	16,975,084	17	2
Three per cent. reduced ditto (d)	115,096,561	6	4	73,556,487	10	0
Ditto consolidated ditto (e)	333,645,183	4	5½	226,245,486	19	4
Carried over....	548,944,868	12	6½	349,385,104	1	3

have their stock} redeemed (on giving six months notice), in money at par, or in 3 per cent. consols. at the rate of £133 6s 8d stock, for every £100 five per cent.

(c) Amount of stock, as stated at p. 216	32,750,000	0	0
added part of loan.... 1794, £25 stock in addition	2,750,000	0	0
..... 1795 33 6s 8d ditto..	6,000,000	0	0
Navy &c. bills funded 1796	869,859	17	2
part loan..... 1795 20 stock in addition	2,900,000	0	0
Exchequer bills 1801 funded.....	4,455,225	0	0
	49,725,084	17	2
(d) Amount of 3 per cent. reduced, as at page 219...	41,540,073	16	4
added part of 1st loan 1796, £25 stock per cent....	4,500,000	0	0
..... 2d ,, ditto.... ditto	1,859,625	0	0
..... - 1797 50	7,250,000	0	0
..... - 1798 ..	8,500,000	0	0
..... 1st 1799 87 9s 6d	2,624,250	0	0
..... 2d 50	7,750,000	0	0
..... 1800	9,635,000	0	0
Exchequer funded 1801	2,227,612	10	0
part of loan... ,, ...	14,210,000	0	0
..... 1802	15,000,000	0	0
	115,096,561	6	4
(e) Amount as stated at page 219.....	107,399,696	5	1½
added by loan of			
4,500,000—1793—£100 stock for 72½ money....	6,250,000	0	0
11,000,000—1794—	11,000,000	0	0
18,000,000—1795—	18,000,000	0	0
18,000,000—1796—120½ stock for 100½ money....	21,595,800	0	0
7,500,000—....—ditto ditto	8,934,200	0	0
Exchequer bills, &c. funded	18,437,874	9	4
14,500,000—1797—125½ stock for 100½ money....	18,125,000	0	0
17,000,000—1798—150½ ditto.....	25,500,000	0	0
30,000,000—1799—	3,000,000	0	0
15,500,000—....—125½ ditto	19,375,000	0	0
20,500,000—1800—110½ ditto	22,550,000	0	0
Exchequer bills, &c. funded 1801	2,227,612	10	0
28,000,000—1801—	35,000,000	0	0
25,000,000—1802—	16,250,000	0	0
	333,645,183	4	5½

BRITISH EMPIRE.

227

Brought forward	548,944,868	12	64	349,385,104	1	3
Three per cent. deferred stock	1,740,625	0	0..	1,740,625	0	0
Bank long ann. value of	19,480,271	17	7..	5,226,900	7	7
Ditto short ditto—decrease } (2,337,571 14s. 4d).. }	1,991,245	19	8..	.....		
Bank capital.....	11,686,800	0	0..	.....		
3 per cent. Imp. annuities..	7,502,633	6	8..	7,502,633	6	8
Imp. terminable d ^o at 14 years	3,220,000	0	0..	3,220,000	0	0
South Sea stock.....	3,662,784	8	6..	.....		
Old South Sea annuities	11,907,470	2	7..	.....		
New ditto	8,494,830	2	10½	.....		
3 per cents. 1726.....	1,000,000	0	0..	.....		
3 per cent. 1751	1,919,600	0	0..	.....		
Value of life annuities	334,885	5	0..	.....		
Tontine annuities	280,452	18	0..	.....		
Value of annuities with survivorship	8,640	0	0..	.....		
Ditto of Exchequer annuities	218,446	19	1..	.....		
	622,393,554	12	5½	367,075,262	15	6
Decrease in value of terminable annuities.....				3,448,350	10	8
Increase in the funded debt....				367,626,912	4	10

and the unfunded debt was £15,500,000, having increased upwards of £5,000,000.

We shall now proceed to detail the financial operations during the second French revolutionary war.

	Money borrowed.	Stock created.	
1803.....	12,000,000.....	9,600,000	3 per cent. consols.
		9,600,000	 reduced.
			38,500 long annuities.
1804.....	14,500,000.....	11,890,000	3 per cent. consols.
		14,500,000	 reduced.
1805.....	22,500,000.....	33,750,000	 consols.
		4,950,000	 reduced.
for Ireland .	1,500,000.....	360,000	5 per cent. navy.
			75,000 long annuities.
1806.....	20,000,000.....	20,000,000	3 per cent. consols.
		13,200,000	 reduced.
1807.....	14,200,000.....	9,940,000	 consols.
		9,940,000	 reduced.
		1,505,200	5 per cent. navy.
for Ireland .	1,500,000.....	2,409,625	3 per cent. consols.
1808.....	10,500,000.....	12,408,375	4 per cent. ditto.
1809.....	14,600,000.....	8,760,000	ditto:
		8,760,000	3 per cent. reduced.
			64,483 6 8 long ann.

Brought forward	111,300,000	171,573,200	
1810....	12,000,000	15,600,000	3 per cent. reduced.
		1,245,000	 consols.
1811.....	12,000,000	12,000,000	 reduced.
		2,400,000	 consols.
			41,500 long annuities.
1812.....	23,500,000	27,000,000	3 per cent. reduced.
		~~12,000,000~~	 consols.
1813.....	27,000,000	23,100,000	 reduced.
		12,600,000	 consols.
			89,250 long annuities.
"	22,000,000	24,200,000	3 per cent. reduced.
		14,740,000	 consols.
1814.....	24,000,000	5,640,000	 consols.
		7,200,000	5 per cent. ditto.
		19,300,000	3 per cent. reduced.
1815.....	36,000,000	46,800,000	.....
		3,600,000	4 per cent. consols.
		15,840,000	3 consols.
	<u>266,800,000</u>	<u>~~416,048,000~~</u>	418,938,200
Value.....		5,557,200	308,733 6 8 long ann.
		<u>~~420,005,400~~</u>	414,495,400

And the following is a statement of the National Debt, unredeemed and redeemed, as it stood on the 1st of February, 1815.

	Unredeemed.	Redeemed.
5 per cent. Navy	(a) 111,469,654 13 7	142,000
Carried forward	111,469,654 13 7	142,000
(a) Amount stated, as at note (a), page 225	28,125,582 19 7	
Five per cent. 1797, subscribed in this stock in 1804, ...	13,263,553 8 9	
2,019,661 15 6, 5 per cent. of 1797, funded in	} 2,284,679 13 4	
this stock in 1805, with		
265,017 17 10 additional capital		
1,005,290 0 2 of ditto, subscribed as above, }	} 1,135,725 0 0	
with 130,435 19 10 additional capital 1805..		
Part of Loan of 1,500,000 for Ireland..... 1805..	360,000 0 0	
..... 14,200,000 1807..	1,505,200 0 0	
Stock created by funding Exchequer Bills.		
In 1808	4,001,353 10 0	
1809	7,873,308 12 0	
Carried forward....	11,874,662 2 0	46,674,742 1 8

BRITISH EMPIRE.

229

Brought forward.....	111,469,654	13	7	142,000
5 per cent. 1797 and 1802.....(b)	1,367,615	4	5	.....
Carried over	112,837,269	18	0	142,000

Brought forward.....	11,874,662	2	0	46,674,742	1	8
1810	8,581,107	10	0			
1811	7,278,391	18	0			
1812	5,866,236	0	0			
„	7,332,795	0	0			
1813	13,860,000	0	0			
				54,793,192	10	0
On account of 4,981,300 raised in 1811.....				5,166,319	14	3½
Part of loan of 24,000,000	1814.....			7,199,400	0	0
				113,833,654	5	11½
Cancelled stock redeemed, 54 Geo. III.				142,000	0	0
				113,691,654	5	11½
Included, 5 per cents. on account of Ireland.....				2,222,000	0	0
				111,479,654	5	11½
				Error.....	7	7½
				111,479,654	13	7

(b) Amount as at page 225..... 22,352,456 5 0

This stock being redeemable in 1804, according to the terms mentioned at page 225, the following sums were subscribed into navy five, as above, with the additional capitals stated in the foregoing note.

	13,263,553	8	9	
	2,019,661	15	6	
	1,005,290	0	2	
	16,288,505	4	5	
and in 3 p. ct. reduced as below	2,678,561	13	7	
				18,967,066 18 0
Leaving.....				3,385,389 7 0
Paid off in 1806 to dissentients from any exchange ..				979,256 13 9
				2,406,132 13 8
Paid off by acts 37 & 42. Geo. III.....				1,038,517 8 10
				£1,367,615 4 5

BRITISH EMPIRE.

Brought forward.....	112,837,269	18	0	142,000
4 per cent. Concols.....(c)	66,281,344	2	2	2,617,400
3 ditto ditto.....(d)	339,041,799	14	3½	48,697,200
Carried forward....	518,160,413	14	5½	51,656,600

(c) Amount as stated at page 226	49,725,084	17	2
Added by loan of 10,600,000 in 1808	12,408,375	0	0
Exchequer Bills funded in 1809	618,236	5	0
Part loan 14,600,000 1809	8,760,000	0	0
..... 12,000,000 1811	2,400,000	0	0
Exchequer Bills funded 1813	5,220,423	0	0

79,132,119 2 2

Of which in the hands of the Commissioners	7,796,400	0	0
--	-----------	---	---

Being.....	66,281,344	2	2	for England.
	5,054,375	0	0	for Ireland.

71,335.719 2 2

(d) Amount stated as at page 226.....	333,645,183	4	54
Addded by loan of 1803	9,600,000	0	0
.....1804	11,890,000	0	0
.....1805	33,750,000	0	0
.....1806	20,000,000	0	0
.....1807	9,940,000	0	0
.... in respect of 1,500,000 for Ireland in 1807....	2,409,625	0	0
..... deferred annuities com-			
mencing in 1808	1,740,625	0	0
.... part loan of 12,000,000	1,390,250	0	0
..... 12,000,000	2,400,000	0	0
..... 22,500,000	11,200,000	0	0
..... 27,000,000	16,200,000	0	0
..... 22,000,000	14,740,000	0	0
..... 24,000,000	5,640,000	0	0

474,545,683 4 54

Redeemed by Land Tax 13,950,699 10 2

Transferred by purchasers of

Life Annuities	1,853,580	0	0
-----------------------------	------------------	----------	----------

Cancelled by act 53 Geo. III...	46,884,600	0	0
---------------------------------	------------	---	---

.....	54 Geo. III...	32,529,792	0	0
-------	----------------	------------	---	---

95,218,671 10 2

379,327,011 14 34

In the hands of Commissioners.. 2,157,587 0 0

Created for the service of Ireland	38,127,625	0	0
------------------------------------	------------	---	---

40,285,212 0 0

339,041,799 14 34

BRITISH EMPIRE.

231

	<i>Unredeemed.</i>			<i>Redeemed.</i>
Brought forward....	518,160,413	14	5½	51,656,600
3 per cent. Reduced.....(e)	102,996,406	19	8	58,623,258
3 ditto 1726.....	1,000,000	..	..	.....
Bank Annuities.....	11,686,800	..	..	.....
South Sea Stock.....	14,266,084	13	11½	6,580,000
Old ditto Annuities.....				
New ditto.....				
3 per cent. 1757.....(f)	966,600	..	..	722,000
National Debt 1st February, 1815..	649,076,305	8	0¼	117,581,858

(e) Amount stated at page 226.....	115,096,561	6	4
Added part loan 1803.....	9,600,000	0	0
..... 1804.....	14,500,000	0	0
..... 1805.....	4,950,000	0	0
Capital created by subscription of 5 per cent. 1797 and 1802, in 1804 and 1805.....	7,426,233	1	6
Part of the loan for 1806.....	13,200,000	0	0
..... 1807.....	9,940,000	0	0
Part of the loan of 14,600,000 for 1809.....	8,760,000	0	0
..... 13,400,000 for 1810.....	17,420,000	0	0
..... 12,000,000 for 1811.....	12,000,000	0	0
..... 22,500,000 for 1812.....	24,000,000	0	0
..... 27,000,000 for 1813.....	29,700,000	0	0
Debentures funded.....	11,100	0	0
Part of loan of... 22,000,000 for 1814.....	24,200,000	0	0
..... 24,000,000 .., ..	19,200,000	0	0
Redeemed by Land Tax.....	11,009,614	0	5
Transferred by purchasers of life annuities.....	941,760	0	0
Cancelled by sundry acts.....	108,167,599	0	0
	120,118,973	0	5
In the hands of the Commis- sioners.....	44,924,242	0	0
Created for the service of Ireland.....	41,068,750	0	0
..... on account of Portugal.....	895,522	7	9
	86,888,514	7	9
Including 3,000,000 for the East India Company, part of loan 1812.....	102,996,406	19	8
(f) Amount as at page 227.....	1,919,600	0	0
Cancelled by act 54 Geo. III.....	953,000	0	0
	966,600	0	0

	<i>Unredeemed.</i>	<i>Redeemed.</i>
IRELAND, 1st February, 1815.		
3 per cent. Consols	38,127,625	6,903,254
3 ditto Reduced	41,068,750	7,360,800
4 ditto Consols	5,054,375 .. ..	.....
6 ditto ditto	2,222,000 .. ..	.....
	86,472,750	14,264,055
EMPEROR OF GERMANY.		
3 per cents.	7,502,633 6 8	1,622,584
Deduct redeemed	1,622,584	
Unredeemed, February, 1815.....	5,880,049 6 8	
PORTUGAL.		
3 per cent. Reduced	805,522 7 9	293,751
Deduct redeemed	203,751	
Unredeemed, February, 1815.....	601,771 7 9	

TOTAL ANNUAL CHARGE, 1st FEBRUARY, 1815.

	<i>Interest.</i>
Annuities for Terms of Years, Exchequer, Life Annuities and Tontine ditto	1,303,585 14 5½
Annuities on Lives payable at the Bank on £2,795,340 stock, transferred to the Com- missioners of the Sinking Fund	185,879 0 0
Interest on debentures	39,788 0 0
Annuities for terms of years (Ireland)	129,583 6 8
Ditto..... ditto (Germany).....	230,000 0 0
	1,688,835 7 1½
Interest on the unredeemed capital of Great Britain	22,391,877 10 11½
Charges of management on ditto	217,836 1 8
Interest on the unredeemed capital of Ireland ..	2,261,244 12 0
Charges of management on ditto	26,079 10 6
Interest on unredeemed capital (Germany).....	176,401 9 7½
Management	3,954 4 4
Interest on unredeemed capital of Portugal	18,053 2 10½
Management	204 12 0½
Gross amount applied towards the redemption of the debt	14,241,770 10 1
Total annual charge.....	£41,225,257 10 2½

In narrating the successive loans made in each year in order to meet the constantly accruing deficiencies, there are few circumstances which particularly merit attention, and we have only, during the painful period of the late war, to refer our readers to the foregoing statements of loans raised, new stock created, floating debt funded for the sake of making room for fresh issues, and their necessarily attendant increase of taxation (which latter it would exceed our limits to detail) and we experience a kind of relief when some extraordinary financial measures call for a less monotonous detail on our part.

From the year 1802 to 1807 nothing particular occurred, but the usual method of raising money by loans upon more or less advantageous terms according to the different circumstances which usually operate upon similar negotiations. In 1807 a kind of desertion from the ordinary practice was attempted, by determining at once the sums it would be necessary to raise for some time: it was proposed that for that, and each of the two following years the war loans should be stated at 12 millions; that for 1810 was assumed at 14 millions, and for each of the ten ensuing years at 16 millions. To provide for the eventual discharge of these various loans, the war taxes were to be pledged at the rate of 10 per cent. upon each loan; 5 of which to secure the interest, and the remaining 5 to accumulate as a sinking fund for the liquidation of the capital. The deficiency arising in the disposable revenue of each year, from this application of the war taxes, to be filled up by supplementary loans, upon the system adopted in former years, of 1 per cent. on the capital towards the sinking fund. It was calculated that the interest of these loans was provided for till the year 1811 by the intervening expiration of annuities. To that period, therefore, the war might be conducted without imposing new burdens; and for the ten years immediately following, by the imposition of such only as should be required to provide the interest for the supplementary loan, which could only be trifling.

This plan was suggested by Lord Henry Petty during his financial administration, and has since been departed from.

In the following year Mr. Perceval proposed a new plan of finance, the object of which was to enable the holders of stock in the 3 per cents. to purchase annuities by transfer of their stock to the commissioners of the sinking fund, in consideration of receiving on such transfer, annuities proportioned in value to the quantity of the stock transferred, and the age of the parties to whom the annuities were given; for the purpose of taking out of the market the stock which was made the subject of commutation, and to secure its redemption at the price of the day on which the transfer was made, a bill was brought into the house upon this plan, and passed into a law; tables of the different rates were published, and an office opened to transact the business connected with it.

From that year to 1812, nothing remarkable occurred in the financial history of this country; in March, 1813, Mr. Vansittart proposed some measures for simplifying the redemption of the land tax, and that on all loans to be contracted in future there should be an additional 1 per cent. to the sinking fund for their liquidation. Besides which, he proposed that on exchequer bills, and other floating unfunded property, a sinking fund of one per cent. should be annually voted; and he submitted a third measure, namely, for the repeal of the act of 1803, as far as it directed that the produce of the sinking fund should accumulate at compound interest for the extinction of the national debt; and as at the establishment of the sinking fund in 1796 it was enacted, that it should continue to accrue until a sum equal to the capital of the whole public debt then existing had been redeemed; he contended that as such redemption had taken place, the measures he proposed were no infraction upon the original provisions with regard to that fund, and that the execution of his plan only required that a certificate of such redemption should be published in the Gazette, and laid before parliament by the commission-

ers, to enable them to dispose of or cancel such part of the sums redeemed as might be necessary for charging, upon the same securities, the dividends and sinking fund of any loans which might have been contracted for the public service; but that the whole sinking fund created by the act of 1786, should continue to be applied until the total redemption of the existing debt. It formed also part of this plan, in order to secure the means of redeeming all future loans within 45 years, to enact, that whenever the sum borrowed in any year should exceed the sum to be paid off, a sinking fund should be provided for the excess of loan, equal to one half of its interest; in conformity with this plan, to the supplementary loan of 22 millions, contracted for in November, 1813, on which the interest was £1,168,200, a sinking fund of one half that sum, viz. £584,100 was added.

In the next loan, namely of £24,000,000 contracted for in June 1814, it was for the first time stipulated that instead of granting arrears of interest, the dividend should commence from the following July.

In April 1815 the property tax was continued for one year.

We have seen that the consolidated fund was established in consequence of a new arrangement of the public accounts in the year 1783, when the aggregate and other funds above mentioned were abolished, and the whole of the public revenue, (except the annual grants) included under this general head. Out of this fund are paid, the interest and expenses of management of all the public debts, the interest on exchequer bills, the civil list, pensions to the royal family and others, salaries and allowances to various public officers, and some miscellaneous annual expenses. The surplus of the produce of the fund, after satisfying all these charges, is annually granted by parliament, as part of the ways and means for raising the supplies voted.

During the two French revolutionary wars, it was deemed advisable to raise part of the supplies within the year, that is, instead of making up the sum to the amount of which the taxes fell below the annual expenditure entirely by loans,

as had been formerly the practice, to raise from the nation not only the sums necessary to pay the interest of the debt, but also a large portion of what was necessary for the current expenditure of the year. This was done by means of the property tax, and other taxes to an inferior amount called the war taxes.

The ways and means for 1816 were of three descriptions, 1st. the sums derived partly from the surplus of the grants of 1815, and of money advanced to government by the bank of England; 2d. from an anticipated surplus of three millions from the consolidated fund; and lastly, from the arrears of property tax for the years 1815-16. The amount of the first, though of a temporary nature, consisting entirely of money actually raised, or which the bank had promised to lend, could necessarily be easily ascertained. The other two sources of revenue depended upon circumstances, with respect to which it was impossible to form a decided opinion; and as regards the consolidated fund, it was ascertained by the 5th of January, 1817, that instead of yielding a surplus, it would not be equal to the discharge of the claims upon it, at least to the amount of one million. The total receipt of the revenue derived from the taxes was about fifty-seven millions, of which nearly eleven millions were for arrears of the property tax, and applicable to the services of the year 1815.

In 1817 the supply of £12,600,000 was made good by issuing £3,600,000 Irish treasury bills and 9,000,000 exchequer bills, so that there was no increase of funded debt.

The most important financial measure of the year 1818, was the creation of a new stock of $3\frac{1}{2}$ per cent. The offer of the Chancellor of the Exchequer was, that for every £100 in 3 per cent. transferred to the commissioners of the sinking fund, together with £11 subscribed into the bank, the subscriber should be entitled to fund exchequer bills to double the amount of his subscription. The money required by this plan amounted to thirty millions, which was raised; of this sum £14,000,000 were set apart for the service of the year,

and the remainder was employed in reducing the unfunded debt. The interest and charges on the loan of 14 millions were to be defrayed out of the produce of the sinking fund, according to an act passed in 1713 for appropriating the excess of that fund, above a certain sum, to the public service.

In 1819 ministers made known their intention to appropriate the revenue of the sinking fund to the current services of the year, and to confine the sinking fund to the excess of the receipt above the expenditure. But as this excess could not be calculated at more than two millions, and as this would create a sinking fund very inadequate to the reduction of the debt, it was resolved to lay on some new taxes, the principal of which were—

1s. 2d. per bushel on malt, estimated annual produce...	1,400,000
Tobacco	500,000
Coffee and cocoa	130,000
Pepper	30,000
Spirits distilled in England	500,000
Tea	130,000
6d per lb. on foreign wool imported	500,000
Together	<u>3,190,000</u>

Besides this, there was a plan of allowing any individual for an immediate addition of 5 per cent., and in some cases of 10 per cent. on his assessed taxes, to be free from any increase for three years, whatever additions he might make during that period to his establishment. There was also a loan to be raised of twelve millions, half of which was to be secured on exchequer bills, at a premium of 1 per cent., or, in other words, the floating bills were to be reduced six millions, and the funded debt increased by the addition of this sum, and six millions of loan.

The following resolutions of the finance committee were passed in consequence.

1. "That since the termination of the war in 1815, the property tax in Great Britain, and other taxes in Great Britain

and Ireland, which yielded a revenue of upwards of £18,000,000 per annum, have expired, or been repealed or reduced.

2. That by an act passed in the 56th Geo. 3, c. 98, the revenues of Great Britain and Ireland were consolidated from the 5th of January, 1817, and that in the year preceding the said consolidation, the nett separate revenue of Ireland was £4,561,353, and the charge of the funded and unfunded debt of Ireland was £6,446,825, including therein the sum of £2,488,124 as the sinking fund applicable to the reduction of the debt, which charge exceeded the whole nett revenue of Ireland by the sum of £1,885,472, without affording any provision for the civil list and other permanent charges, or for the proportion of supplies to be defrayed by that part of the united kingdom, and that no provision has been made by parliament to supply this deficiency.

3. That the supplies to be voted for the present year by parliament may be stated at £20,500,000.

4. That the existing revenue applicable to the supplies cannot be estimated at more than £7,000,000, leaving the sum of £13,500,000 to be raised by loan or other extraordinary resources.

5. That the sinking fund, applicable to the reduction of the national debt in the present year, may be estimated at about £15,500,000, exceeding the above sum necessary for the service of the year by about £2,000,000 only.

6. That to provide for the exigencies of the public service, to make such progressive reduction of the national debt as may adequately support public credit, and to afford the country a prospect of future relief from a part of its present burthen, it is absolutely necessary that there should be a clear surplus of the income of the country beyond the expenditure of not less than £5,000,000; and that with a view to the attainment of this important object, it is expedient now to increase the income of the country by the imposition of taxes to the amount of three millions per annum."

The above resolutions may be considered as the fundamental principle of the present finance system of this country.

In 1820 a loan to the amount of £5,000,000 was contracted for, at the rate of £142 4s. three per cent. stock for each £100 in money. £7,000,000 of exchequer bills were funded, by giving £99 of five per cent stock for each £100 of unfunded debt; and £12,000,000 were again borrowed from the sinking fund.

In 1821, the sum of £12,500,000 was borrowed from the sinking fund of England, and £500,000 of Ireland, together £13,000,000 besides, £500,000 Irish, or £461,539 British currency, to increase the capital of the Bank of Ireland. The total amount of the supply was £18,021,800, and the interest on exchequer bills £1,290,000, making together £19,311,800; and the following was the charge in respect of the additions to the public funded debt of the united kingdom created for the service of the year 1821.

Money borrowed, £12,500,000 from the sinking fund in Great Britain,—£100 three per cent. reduced annuities, capital created £12,500,000; interest 375,000, sinking fund £125,000; total charge £500,000.

£30 7s. 6d. three per cent. consols.; capital created £3,796,875; interest £113,906 5; sinking fund £37,968 15; total £151,875. Total capital created £16,296,875; interest £488,906 5; sinking fund £162,968 15; total £651,875.

Money borrowed—£500,000 British currency from the sinking fund in Ireland—£129 3 2 Irish $3\frac{1}{2}$ per cent. for every £108 6 8 Irish, being £100 British. Capital created £596,115 7 $8\frac{1}{2}$; interest £20,864 0 $9\frac{1}{4}$; sinking fund £5961 3 1; total £26,825 3 $10\frac{1}{4}$.

Total borrowed	13,000,000	0	0	
Capital created.....	16,892,990	7	$8\frac{1}{2}$	
Interest.....		509,770	5	$9\frac{1}{4}$
Sinking fund		168,929	18	1
		678,700	3	$10\frac{1}{4}$

Three important measures have distinguished the financial operations of this country in the year 1822;—the reduction of the interest on the five per cent. stock, the pension and annuity commutation measure, and the determination on the part of the Bank of England to reduce their rates of discount from 5 to 4 per cent. per annum. We shall give a brief account of these operations in succession.

In February last Mr. Vansittart, after alluding to the reduction in the rate of interest in the four per cent. stock in 1749, as related above, stated his intention of adopting a similar proceeding with regard to the 5 per cent. stock, consisting of navy 5 per cents. originally created, as we have seen above, by funding navy bills remaining unpaid at the close of the American war, and by sundry additions since, making the total unredeemed amount for Great Britain £141,693,392 8s. 2d. The second description of 5 per cent. stock was called the Irish, being originally borrowed for the service of Ireland, but still payable in England, and amounts to £1,395,946. 2s. 2d. There also remained £1,009,603. 13s. 11d. of 5 per cent. of 1797 and 1802 unredeemed, but which was not to be included in this operation; and it was proposed that the stockholders should receive for every £100. 5 per cent. stock £105 stock, bearing 4 per cent. The individuals who consented to this exchange were to continue to receive 5 per cent. until the 5th of July, but after that time only to be entitled to 4 per cent. upon the increased stock in their hands, by which increase they would receive an additional interest of four shillings per cent.; persons residing in the united kingdom to be allowed to the 16th of March, those living in any other part of Europe to the 1st of June, and such as were inhabitants of other parts of the globe to have a period of twelve months for signifying their dissent to the measure, in which case they were to be paid off at par, whilst individuals not dissenting were to be considered as acquiescing to the minister's terms. With respect to the right parliament possessed of paying off stock at par, it was asserted that by the authority of the 26 Geo. III. c. 31. they

had the power to pay off any stock above par, at any time and in any manner at par, as parliament should determine ; and the act provided also, that stock under par should be purchased in the market for the sinking fund ; and it was a further part of the plan that the new stock thus created should not be redeemable until the end of seven years. The amount of five per cents. hitherto paid off by this measure was £2,605,978. 6s. 10d. and the new four per cent. stock amounted to £139,087,414 1s. 4d. subject to reduction by dissidents out of Europe.*

The second measure was brought forward in May, and was of a more complicated and less advantageous description, viz. the commutation of the half pay and pension lists, which for the present year was estimated at about five millions ; an attempt was made to negotiate with capitalists or corporate bodies, who, on undertaking to pay for 45 years an annual sum, constantly decreasing in proportion to the estimated falling in of lives and expiring pensions, should receive from government a stipulated annual sum for the same period, the amount of which was to form the subject of negotiation with the parties inclined to make the necessary payments ; but as no contractors could be found disposed to enter into a similar operation, it was determined that instead of assigning to any corporate or other body a fixed annuity for forty-five years, it was to be vested in trustees appointed by parliament for that purpose ; those trustees to include the heads of the several naval and military departments, out of which the present charge for half-pay and pensions has arisen, some of the Lords of the Treasury, and the Governor and Deputy-governor of the Bank of England, a board of Commissioners was thus formed, acting for the benefit of the country, to whom government securities were to be handed over for the payment of £2,800,000. (the sum fixed by ministers to be given for the above purpose). In

* The price of 5 per cent. stock had previously to this measure fluctuated from 106 per cent. to 108 per cent.

return for which the commissioners must annually furnish to the treasury the sum wanted to pay the yearly decreasing amount of half-pay and pension charges, now not exceeding five millions; and in the 45th year estimated to be reduced to from £3 to 400,000; this operation to commence in October, but as pensions are paid quarterly, it was calculated that the trustees receiving at that time £1,400,000 (half the annuity) and only having to pay £1,250,000 (one quarter of the first years' pensions), a balance will remain in their hands to be placed at interest, as part provision for the next quarter's payment in January, when of course a deficiency will arise, which the commissioners will have to supply by the sale of some of their annuities, and by which a new description of long annuities will be brought into the market, and so on until the end of the 45 years; any ultimate profit arising out of this transaction will, it is understood, revert to the public.

The last measure, namely, the reduction in the rate of discount on the part of the Bank of England, though connected with the general finance system of the country, can only be viewed in the light of a commercial operation, and was intended by conforming to existing circumstances, to enable the Bank to continue, or more properly, to resume its discount operations, which the course of events, and diminished demand for money, had thrown into other hands.

The following is an account of the changes operated in the different descriptions of stock from 1st of February, 1815, to 5th January, 1822:

Five per cent. Navy Annuities.

Amount stated at page 228	111,469,654	13	7
Added in 1815, by funding			
10,313,000 0 0 Exch. Bills	12,066,210	0	0
814,500 0 0	952,965	0	0
by loan 7,008,089 3 6	8,189,227	16	0
		21,208,402	16 0
Amount of 5 per cent. 5th January, 1816—17	132,678,057	9	7

added in 1817 for amount previously stated under Ireland, see page 232	2,222,000	0	0
amount of 5 per cent. 5th January, 1818 added in 1820, by funding 7,000,000 Ex- chequer bills	134,900,057	9	7
amount of 5 per cents. 5th January, 1822, see the Table at the end of our Docu- ments	141,830,057	9	7
of which in the names of Com- missioners	22,013	1	5
transferred for purchase of life an. 146,652 0 0	136,665	1	5
leaving net unredeemed amount	141,693,392	8	2
of which was paid off in July, 1822 to 1873, Dissentients from the proposed Exchange, with new four per cents.	2,605,578	6	10
leaving in July, 1822, an amount of ..	139,087,414	1	4

five per cent. stock to be exchanged against four, at the rate of 105 five per cents. for every 100 old stock, subject to such further reduction as may arise in the twelve months, during which parties resident out of Europe, are allowed to dissent from the terms proposed by government.

Five per Cent. 1797 and 1802.

Amount remaining 1st February, 1815, see page 229	£1,367,615	4	5
of which exchanged or paid off at various periods..	251,946	12	1
leaving 5th Jan. 7, 1822, (of which in Commissioners names 6,064 18 5)	1,015,668	12	4

Four per Cent. Consolidated Annuities.

Amount, as stated at page 230, 1 Feb. 1815, England	66,281,344	2	2
Ireland	5,054,375	0	0
	71,335,719	2	2
Add by loan of 36,000,000 of 1815	3,600,000	0	0
	74,935,719	2	2
Difference between the parliamentary statements and our own	9,694	2	8
Making of 4 per cent. as per official Documents, of which £51,634 transferred for life annuities, and £24,307 11s 6d. in names of Commissioners.....	74,945,413	4	10

Three per Cent. Bank Annuities.

Amount on the 1st of February, 1815, see page 231..	11,686,800	0	0
Lent to government, per act 56. Geo. III. c. 96. at 3 per cent. the repayment of which is to be made at such periods as Parliament shall direct, but not beyond 1st August, 1833	3,000,000	0	0
Amount of Bank Annuities 5th January, 1822	14,686,800	0	0

Three per Cent. Consolidated Annuities.

Amount 1st February, 1815, see page 230	339,041,799	14	3½
Added in 1815 by loan of 36,000,000, £15,840,000			
..... 1818 by funding 27,262,000} Exchequer bills}	17,447,680		
..... 1819 by loan of 12,000,000	9,600,000		
..... " " "	9,600,000		
..... 1820 " 5,000,000	2,110,000		
..... " " 12,000,000	5,064,000		
..... 1821 " 13,000,000	3,796,875		
	63,458,555	0	0
	402,500,354	14	3½
Amount transferred in 1818, to be exchanged for 3½ per cent.			
Leaving as per Parliamentary statement	396,901,594	17	0
Of which in hands of the Commissioners	23,195,020	1	0
Amount unredeemed 5th January, 1822	367,606,574	16	0

Three and a Half per Cent. Stock.

This stock was created in April, 1818. Every subscriber in consideration of his transferring 3 per cent. Consols, or 3 per cent. reduced, and paying £11 per cent. in money, became entitled to £100 3½ per cent. to the extent of so much 3 per cent. stock as might yield at £11 per cent. £3,000,000 in money; such subscribers to be at liberty to fund Exchequer Bills at 64 per cent. for 3 per cent. stock, to an extent not exceeding the amount of the capital 3 per cent. stock subscribed. We have not been able to ascertain from the Parliamentary documents, the amount of 3 per cents. transferred or of stock created.

Three per Cent. Reduced Annuities.

Amount 1st February, 1815, see page 231	102,996,406	19	8
Added in 1815 by loan of 36,000,000 £46,800,000			
..... 1818 funding of 27,262,000	17,447,680		
..... 1819 by loan of 12,000,000	7,552,000		
..... " " "	7,552,000		
..... 1820 " 5,000,000	5,000,000		
..... " " 12,000,000	12,000,000		
..... 1821 " 13,000,000	12,500,000		
	108,851,680	0	0
Whereof transferred in 1818 in exchange for 3½ p. ct.	211,848,086	19	8
Of which in hands of Commissioners.....	202,658,639	17	0
Leaving unredeemed 5th January, 1822.....	69,248,441	11	5
	133,410,198	4	7

Sinking Fund.

In addition to the particulars given at page 218, of the present sinking fund, we have to add, that on the 17th of February, 1792, the minister proposed, for the purpose of accelerating the operation of the fund, that the sum of £400,000 should be issued, in addition to the annual million; and stated, that in consequence of this and future intended additions, it might be expected that 25 millions of 3 per cents. would be paid off by the year 1800; and that in 1808* the fund would have risen to four millions a year, being the sum to which it was restricted by the original contract. The accumulation, however, was not to cease till the interest of the capital discharged, and the amount of expired annuities, should, together with the annual million only, and exclusive of the proposed additions, amount to four millions. But the most important improvement was a provision, that whenever in future any sums should be raised by loans on perpetual redeemable annuities, a sum equal to one per cent. on the stock created by such loans, should be issued out of the produce of the consolidated fund quarterly, to be placed to the account of the commissioners; and if the loan, or any part, is raised by annuities, for a longer term than forty-five years,

* On the 1st of February, 1807, £48,897,200 3 per cent. Consols, and £58,623,258 ditto Reduced, had been redeemed, besides other stock.

or for lives, a computation is to be made of what will be at the end of forty-five years the actual value of such part of the annuities as may be then outstanding, and the sum to be placed to the account of the commissioners, is to be equal to one per cent. on this computed future value. By this means the immediate progress of the fund was accelerated, and future loans were put into a regular course of redemption.

This appropriation of one per cent. was to form a distinct fund ; and a separate account was directed to be kept of the progress of each fund, by which it appeared that on the 1st of February, 1802, the original fund had increased to £2,534,187. 1s. 9d. and the new fund to £3,275,143. 2s. 3d. It was now deemed expedient to unite the two funds, and to apply the whole amount indiscriminately to the reduction of the total debt. With this view the former limitation of a fund established professedly on the principle of compound interest was done away ; the usual annual grant of £200,000 per annum, was made a permanent charge upon the consolidated fund ; and the whole amount of the sinking fund was directed to be regularly applied to the purchase or redemption of stock, so as that the whole of the several redeemable public annuities, now charged upon the public funds of Great Britain, shall be paid off within forty-five years from the respective periods of the creation of such respective charges and public annuities.

In the year 1814 the Chancellor of the Exchequer made use of part of the sinking fund, and without infringing the terms, or counteracting the views on which it was established by Mr. Pitt ; for by this time it had paid off an amount of debt equal to that which existed at the period of its establishment.

As the sinking fund is constituted at present, the deficiency of the revenue is supplied out of this fund, and for the money thus borrowed, an equivalent in stock is transferred to the commissioners. It will be seen at page 266 of the Documents, that the amount of all stock redeemed by them from 1st of August, 1788, to 5th January, 1822, was £420,147,266

9s. 4d. that the sums paid for the purchase thereof were £276,669,888. 6s. 6d. and the general account stands thus :

Redeemed by the Commissioners as above, including £16,296,875 created by sinking fund loan of £12,500,000 in 1821	£420,447,266	9	4
Capital transferred, the dividends on which have not been paid for ten years, subject to the claims of the proprietors	676,795	17	8
Ditto for Land Tax redeemed	25,819,089	0	0
„ for Life Annuities	6,366,515	0	0
Total amount of stock in the hands of the Commis- sioners of the Sinking Fund for Great Britain ..	453,309,666	7	0
Imperial debt redeemed, &c. see page 277 Doc.	2,632,571	3	0
Portugal ditto ditto ditto ...	745,056	0	0
	3,377,627	3	0
Together	456,687,293	10	0
And the annual sum applicable to the redemption of the National Debt in Great Britain	23,212,925	4	10½
And chargeable on the sinking fund	17,404,762	16	10½
Leaving the actual sinking fund of Great Britain and Ireland, payable in Great Britain, for 1822	5,808,162	8	0½
And the Imperial debt	115,670	2	8
Portugal ditto	52,351	13	7
Sinking fund of Ireland	673,329	17	2
	841,351	13	5
Total	6,649,514	1	5½

Having now brought down our account of the national debt to the latest period, we shall, for the sake of perspicuity, leaving out the numerical details above, give a brief sketch of the rise, progress, and present amount of the National Debt of this country.

The national debt began in the time of King William ; at first, loans were had recourse to in anticipation of the produce of the taxes, which were imposed for a certain number of years ; but the produce being frequently insufficient for paying the principal and interest of these loans within the period for which the taxes were imposed, it became necessary to prolong the original term ; by this means a debt was

incurred ; the total amount of which, at the end of the year 1716, exceeded 48 millions ; this was afterwards reduced by the operation of the sinking fund, to about 37 millions ; and in the year 1737, the interest of the public debt was reduced from 5 to 4 per cent. ; soon afterwards encroachments were made on the sinking fund, so that the whole sum paid off from its establishment in 1716 to 1739, was only about eight millions. The war which then began increased it to upwards of 78 millions ; but in the year 1749 government were enabled by a rise in the funds, to reduce the interest on upwards of 57 millions of the debt, from 4 to $3\frac{1}{2}$ per cent. and afterwards to 3 per cent. ; this increased the activity and power of the sinking fund, which must have operated to great advantage had it not been diverted from its proper and usual purpose. The total amount of the debt at the commencement of the war in 1756, was upwards of 74 millions ; at the end of the war in 1763 it exceeded 136 millions, exclusive of the unfunded debt. After the peace in 1763, the income of the sinking fund increased considerably ; during the twelve years of peace, ending in 1775, there were discharged about $10\frac{1}{2}$ millions of the public debt. During the American war the debt was greatly increased ; the loans at first were small, only 2 or $2\frac{1}{2}$ millions ; but in 1782 it was $13\frac{1}{2}$ millions ; the total debt incurred by the American war amounted to upwards of 115 millions ; and the interest on it to more than five millions per annum : the total amount of the national debt, funded and unfunded, was on the 5th of January, 1786, upwards of 267 millions. A new sinking fund was now established, by the operation of which the total amount of the national debt was reduced in 1792 to about 258 millions ; the total amount of the loans raised during the first French revolutionary war exceeded 200 millions, by which a debt was created of upwards of 300 millions ; the second revolutionary war was equally expensive, so that at its termination in the year 1815, the total funded and unfunded debt exceeded 1000 millions.

In 1797, in consequence of the increased expenses of the war, Pitt determined to attempt to equallize the income with

the expenditure of the country. Accordingly in 1798 he established a general tax on income, intended, with the aid of some other war taxes, "to provide within the year for a considerable part of the public expenses, and also to repay, within a few years after the conclusion of the peace, all debts contracted beyond the amount of the sinking fund in each year." In 1803, 4, and 6, Lord Sidmouth and Lord Grenville adopted plans for increasing the national income; the object of the scheme of the latter, more generally known by the name of Lord Henry Petty's, was to lessen the necessity of additional taxation, in the manner as related at page 233.

It has been the policy of later times to diminish the pressure of the moment by throwing part of present burthens upon posterity, in allowing parties to redeem their land and assessed taxes, making the resources of futurity available immediately, under the colourable pretence of transferring the sum thus raised to the account of the commissioners of the sinking fund, but ultimately borrowing from that fund the money intended to pay off the national debt, by converting perpetual into life annuities, and then again commuting other life annuities into fixed annuities for 45 years, almost equal in value to perpetual ones; so that the amount of the originally created debt shews a gradual increase year after year to the present moment, and though the numerical sums redeemed appear larger in every annual statement, the relief thus obtained is illusive, and that the quantity of stock withdrawn out of the market by enhancing the price of what remains, only increases the difficulty of redeeming it, and it follows that the amount of the unredeemed national debt, which on the 5th of January last was near Eight Hundred Millions nominal capital, would, by the rise of about ten per cent. which has taken place in the price of our public funds in the last few years, cost about 80,000,000 more to redeem, and will, as their price advances, of course become more difficult to discharge: whereas, it would appear that a commutation of the taxes composing the consolidated fund, at a certain number of years purchase, to be paid by transferring

stock for the purpose of being actually *cancelled*, (the very reverse of the measures now adopted), would more effectually diminish public burdens, and relieve the productive part of the nation from the heavy contributions they are called upon for to pay the interest upon the sums borrowed, and still borrowing every year.

BANK OF ENGLAND.

We cannot close our sketch of the finances of the British Empire, without giving some account of an establishment which has been conducive, if not instrumental, to the financial success of this country.

The original charter was executed on the 27th of July, 1694, with a capital of £1,200,000 advanced to government at 8 per cent. and was to continue till the 1st of August, 1705, when the corporation should be determinable upon receiving twelve month's notice, and on repayment of the sums advanced to government; and it was enacted that they should not deal in any goods, wares, or merchandize (except bullion) purchase any lands or revenues belonging to the crown, or advance any sums to their Majesties.

In 1697 the term of the charter was extended to one year's notice after the 1st of August, 1710; bank stock was declared to be a personal and not a real estate, and to be exempt from taxes. In 1706 subscriptions were received to enable the Bank to circulate Exchequer bills to the amount of £1,500,000, and their capital in consequence increased to £2,201,171 10s.

In 1708 the monopoly enjoyed by the Bank of England to this day was established, by a clause introduced in an act of parliament, making it unlawful for any other company

consisting of more than six persons, to issue bills or notes, payable on demand, or for any time less than six months.*

In 1708 a further extension of the Company's charter was granted them to the 1st of August, 1732, in consequence of £400,000 advanced to government, (see note c, page 205), and a subscription was opened for doubling their capital, which was subscribed at 115 per cent. and made it amount to £4,402,343, in order to enable them to cancel all the Exchequer Bills then outstanding.

In 1713 the Company procured an addition of ten years to their charter, which was in consequence extended to August, 1742, in consideration of their undertaking to circulate £1,200,000 Exchequer bills; and the first subscription to the loan for the public service was received at the Bank in the following year.

Although the legal rate of interest was reduced from 6 to 5 per cent. in 1714 (see page 199), the Bank did not consent to this reduction till the year 1717, when they also agreed to deliver up £2,000,000 in Exchequer bills in their hands. The capital on which they received interest from government thus became

5 per cent. on	£3,775,027 17 10½	being	£188,751 7 10
and annuity on the old capital	1,600,000 0 0		100,000 0 0
	<u>5,375,027 17 10½</u>		<u>288,751 7 10½</u>

In 1722 the Bank purchased £4,000,000 of the South Sea Company's capital, (see note c, page 205), by which the like sum was added to their capital, but upon which the interest was to be reduced to 4 per cent. from Midsummer, 1727, which reduction was since extended to the interest on the other part of the Bank capital, with the exception of the original capital of £1,600,000, on which the annuity of £100,000 was continued.

* See Fairman on the Funds, and M'Cay's History of the Bank of England.

In consequence of further advances to government in 1728 and 1729, (see also note c, page 205) the capital of the Bank experienced a still further increase. In 1742 a further sum of £1,600,000 was advanced to government: this sum was considered as an addition to the original capital of the same amount, and upon the total of £3,200,000 the government agreed to pay 3 per cent. interest from the 1st of August, 1743, at which period the old annuity of £100,000 ceased.

Upon the general reduction of interest on the public debts in 1750, alluded to at page 203, the Bank not only agreed to a reduction of from 4 to 3 per cent. on £8,480,800 of the debt owing to them by government, but also to advance £1,190,041. 16s. 1d. towards paying off such proprietors as would not consent to the reduction.

In 1764 the fifth renewal of the Bank charter to 1st of August, 1786, took place, and they were declared by the act of Parliament a body corporate and politic for ever, on which occasion they agreed to advance £1,000,000 towards the supplies on Exchequer bills, and to pay £110,000 without interest or any repayment of the principal. The permanent amount due to the Bank by government at that period, being £11,686,000, as stated at page 208.

The sixth renewal of the Bank charter took place in 1781, when it was extended to 1812, on the company engaging to advance £2,000,000 on Exchequer bills, to be repaid in three years, for which a call of 8 per cent. on capital was thought necessary, by which it was increased to £11,642,000, the sum on which they now divide.

We have alluded to the suspension of cash payments in 1797, in our preceding account of the finances. The history of the Bank for some time previous to that period, and for several years after, presents nothing but a series of advances to government, with frequent representations on the part of the board of Directors that the amount of the debt of government to them might be diminished.

In 1800 the Bank charter was further extended to the 1st of August, 1833, with twelve month's notice as before.

In April, 1802, the restriction on cash payment was continued to the 1st of March, 1803; and by a subsequent act, extended until six months after the ratification of peace; in July, 1814, the time was further deferred to 25th of March, 1815, and subsequently extended to the 5th of July, 1816; at that period it was again continued till the 5th of July, 1818, when the suspension was directed to remain in force another year, namely, to the 5th of July, 1819, at which time, in consequence of the report of the Committee, it was determined:

That after the 1st of February, 1820, the Bank should be required to deliver standard gold in bars of not less than sixty ounces at £4. 1s. per ounce.

That on or before the 1st of October, 1820, they should pay their notes at the rate of £3. 19s. 6d.; and on or before the 1st of May, 1821, at the ancient standard rate of £3. 17s. 10d. per ounce standard, in quantities not less than aforesaid; and

That from the 1st of May, 1823, the Bank should pay its notes on demand in the legal coin of the realm. But the Bank obtained the sanction of the Legislature to pay off all notes in 1821, and not to issue any under £5.

In 1816 £2,910,600 capital was added by the division amongst the proprietors, of part of the surplus of profits at the rate of 25 per cent. in proportion to the interest on the capital; and in 1819 it was enacted that the government should repay to the Bank £10,000,000 advanced under various heads for the public service.

A proposal was made this year for the government to grant the Bank a renewal of their charter, on condition of their foregoing the clause of 1708, and allow banking companies formed of any number of partners, to be established at any distance beyond sixty-five miles from London. And also that the Bank should have the power of issuing small notes during the continuation of their charter, but the negotiation has not for the present been brought to a close.

On the 20th of June last, it was resolved, that bills and notes approved in the usual manner, and not having more

than 95 days to run, be discounted at the rate of 4 per cent. on and after the 21st of June, 1822.

The following are statements of the affairs of the Bank at three different periods, viz.

In 1696.

Dr.						Cr.					
To sealed bills out-						By tallies on parlia-					
standing	£893,800	0	0			mentary securi-					
Notes for running						ties	£1,784,878	18	0		
cash	764,196	10	0			Half a year's de-					
Money borrowed in						ficiency in the fund					
Holland	300,000	0	0			of £100,000	50,000	0	0		
Interest due on Bank						Cash, pawn, mort-					
bills	17,876	0	0			gages, &c.	266,610	18	0		
Balance in favour of											
the Bank	125,315	2	0								
	2,101,187	12	0				2,101,187	12	0		
						Balance	125,312	2	0		

1797.

Bank notes in circulation	£8,640,250	Bills discounted, cash, and	
Drawing account	2,389,600	bullion	£4,176,080
Exchequer Bills deposited	1,676,000	Exchequer bills	8,228,000
Unpaid dividends	983,730	Lands and tenements ...	65,000
Bank stock ditto un-		Money lent on mortgage,	
claimed	45,150	on ann. of 1,200,000	
Dividends unclaimed on		to the E. I. Comp. ...	700,000
E. I. ann.	10,210	Stamps	1,510
Sundries unclaimed ...	1,330	Navy & Victualling bills	15,890
Due on the loan of 1797.	17,060	American debentures ...	54,150
Unpaid Irish dividends..	1,460	Petty cash	5,320
Ditto on Imperial load ..	5,600	Sundry articles	24,150
Balance in favour of the		5 per cent. navy ann.	795,800
Bank	3,826,890	5 per cent. 1797	1,000,000
		Treasury Bills paid for	
		government	1,512,270
		Loan to ditto without	
		interest	376,000
		Bills discounted unpaid..	88,120
		Treasury's Excheq. fees	740
		Interest due on sums ad-	
		vanced to government. ...	554,250
	17,597,280		17,597,280
		Balance	3,826,890

1819.

Bank notes.....	£24,710,770	Advances on Exchequer bills, on Malt, &c. 1819,	
Other debts, viz.		Bank loan 1808, supply 1816 at 4 per cent.	
Drawing account, unpaid divid. Exchequer bills deposited, &c....	9,237,790	interest due and loans to government on unclaimed dividends....	9,078,330
	33,948,560	Cash & bullion, Excheq. bills purchased and interest, bills and notes discounted, Treasury bills for Ireland, money lent, and various other articles	30,101,420
Balance of surplus in favour of the Bank, exclusive of the debt from government at 3 per cent. £11,686,800 & the advance to government of £3,000,000 at 3 per cent.	5,231,190		39,179,750
	39,179,750	Balance of surplus, exclusive of the permanent debt, and advances, &c. on the other side	5,231,190

Account of the Dividends paid on Bank Stock from the Establishment of the Bank of England.

Years		Years	
1694	8 per cent.	1782	6 per cent.
1697	9	1788	7
1708	9	1797	7
1730, March.....	6	1799 10 p. c. bonus, & 5 p. ct. government stock	
September	5½	1801 5	5
1731, March.....	6	1802 2½	5
September	5½	1804	7 p. ct. 5 p. ct. bonus.
1732, March.....	6	1805	7 .. 5
September	5½	1806	7 .. 5
1742	5½	1807 to 1816..	10 .. 5
1746	5½	1816	25 p. ct. added to the capital without charge to the proprietors.
1753	4½	1816 to 1822..	10 per cent.
1764	5		
1767	5½		
1781	6		

ADDENDA.

SINCE the foregoing sheets were sent to press, the following particulars on the finances of some of the States have been made known.

FRANCE.

The Chamber of Deputies were engaged in the month of July last, with discussions on the law of finances, which for the present year (1822) is to sanction an estimate of 908,000,000 francs (about £36,000,000 sterling), and the Budget for 1823 was also voted in the same month, for the purpose of getting rid of some of the provisional arrangements recommended by former administrations. It was stated by the finance minister, Mr. Villete, that the Budget of the present year exhibited many branches of public expenditure and receipt, such as 6,181,000 under the head of surcharges returned to individuals, the tax on gaming houses, of 6,500,000, which had not appeared in the estimates of preceding years. Between the land tax under Buonaparte's government and its amount at the present day a diminution had taken place of 122,000,000, owing to the reduction in the *contribution fonciere*, which had lately been granted to the public. As for the financial prospects of the next and following years, the minister stated that there was no chance of a failure of the revenue. The receipts of the indirect taxes for 1822, have much surpassed the estimates. There will be this year an excess of receipt over expenditure; the same excess will reproduce itself in 1823; and even supposing, contrary to expectation, that for 1824, the receipts and expenses should be equal, that there would be no retrenchment on one side, and no improvement of produce on

the other ; the country might be assured of its capacity to meet, with existing taxes, the extreme demands of the public service for the year.

The statement of the revenue and expenditure of France, or of its financial operations, is complete to the end of the year 1821, and estimates were given for the present and following years. It being the plan usually pursued in French finance to present at the commencement of each year, the settled accounts of the income and expenditure of the year immediately preceding that which has elapsed, and the estimates of the year immediately following that which has commenced, by meeting this year in June, and by being enabled to present the former up to the end of the year 1821, with only the latter of 1823, the Chambers were a session in advance of their accounts, and in arrear of their estimates. Thus, had they met in January, 1822, they would have received their accounts up to January, 1821, and voted the estimates of 1823. This short session enables them in January next to resume their former practice. The estimated revenue of France, for 1823, amounts to 909,130,783 francs, or £36,365,231 ; the estimated expenditure, to 900,475,503 francs, or £36,019,011, and this latter estimate includes the interest of her debt, which amounts only to 228,724,260 francs, or £9,148,970. The following are some of the chief items of which the expenditure is composed :—

The Civil List.....	fr. 34,000,000
The department of Public Justice (exceeding the charge of 1822 by 547,345 f.)	18,461,845
The Ministry of the Interior (being a saving of 403,800 f. compared with 1822)	113,420,000

The credit demanded for the service of the department of war is 189,940,000 f. exceeding that of 1822 by 2,637,474 f. ; the ministry of marine, an excess of 3,000,000 f. over that of 1822. The estimates for the Chambers of Peers and Deputies, the Public Treasury, the Mint, &c. make a total estimate of expenditure, as stated above, of 900,475,503 f. To meet this, the ways and means, stated with great mi-

nuteness, are estimated, according to their produce in 1821 (that of 1822 not being yet known) at the sum of 909,130,783*f*. being an excess of income over the expenditure of 8,655,280*f*. The Minister concluded with presenting two bills or projects of law founded on his estimates.

RUSSIA.

The annual report of Count Gourieff, Russian minister of finance, having been made on the 18th of May last, we subjoin an abstract.

The debts of Russia, which the operation of the Sinking Fund embraces, are divisible into three heads:—

1. Those contracted before the institution of the Sinking Fund.
2. Those which are the result of loans contracted for the purpose of reducing the amount of paper money.
3. Those which were incurred with a view to provide for the necessities of sundry branches of administration.

The total of debt, under the first of these divisions, not including that on account of Holland, amounted, before the year 1817, to 11,646,418 roubles metalliq., 204,068,739 assignats. The Dutch debt was 50,600,000 florins; and on the 1st of January, 1822, the reductions which had taken place in this mass of debt, by means of the sinking fund, amounted to about 62,000,000 roubles, assignats; and in ten years a certain portion of the above debt, viz. that which is made payable at stated periods, will have been entirely paid off—an event which must add to the sinking fund 12,000,000 of roubles, while that part of the fund which is made applicable to the redemption of the perpetual *rentes* will, with the aid of the sums annually brought in, have redeemed the whole of those *rentes* in 20 years: the sinking fund is 2 per cent. on the capital of the debt. The second general class of debts, viz. those growing out of loans for the reduction of the paper

money, were contracted in 1817 and 1818, in assignats, at 6 per cent. and in 1820, in specie roubles, at 5 per cent. per annum. The sum total of these debts, on the 1st of January, 1822, amounted to 334,840 roubles metallic, and 109,720,471 assignats. Of this, the portion which is redeemable will be paid off likewise in 20 years, leaving only between 11 and 12 millions of perpetual debt, which belongs to some of the public establishments.

The specie loan, negotiated by Messrs. Baring and Hope, amounted to 40 millions; but of this only between 26 and 27 millions were carried to account of the 30 millions assigned to the diminution of the paper money. Of the above loan there has been already redeemed 701,700 roubles; and the government has, or is in the act of destroying assignats, with the proceeds of it, to the amount of nearly 47 millions of roubles, which will make altogether, of paper extinguished, upwards of 256 millions of roubles.

The 3d class of debts, those contracted to provide for certain branches of the administration, have amounted, during the four years specified, to 1,305,000 metallic roubles, and nearly 18,000,000 in assignats; but the government was under the necessity of diverting 13 out of the 40 millions of the Hope and Baring loan, from its natural destination of redeeming paper, to supply some pressing wants of the service, which increases the specie debt of the public administration by the like sum.

The result is, that the whole debt of Russia, in all its branches, amounted on the 1st of January, 1822, to—

Holland, 48,600,000 florins.

Home debt, above 53 millions specie roubles.

Assignats, above 296 millions assignats.

The annual sinking fund for the redemption of which amounts to above 1,000,000 rouble specie, and above 5,000,000 assignats; or bears a proportion to the debt of something more than 1 to 50.

A loan for the service of Russia, was brought out in this country last May, by Mr. Rothschild, for 23 millions silver roubles, or about $3\frac{1}{2}$ millions pounds sterling stock, bearing an interest of 5 per cent. payable at the option of the holder, at St. Petersburg or in London, half yearly, on the first of March and the first of September; if in St. Petersburg, in silver roubles of the weight and standard now current, or in London, at the rate of 3s 1d sterling per silver rouble; 24 half yearly dividend warrants are to be attached to the certificates. A fund of 1 per cent. is specially appropriated for the redemption of the loan.

PRUSSIA.

We have no further details of the finances of Prussia than those presented in the foregoing article on the subject, but a new loan was also contracted for this kingdom and brought into the market in July last, by Mr. Rothschild, for the purpose of withdrawing the State bonds issued some years back by the Prussian government, as likewise in order to discharge the debts of that government in Holland, for three millions five hundred thousand pounds, of which only two millions are for the present to be circulated.

The dividends to be paid on the 1st of January, and 1st of July, of each year in London.

AUSTRIA.

The only measure of importance in that country lately, was a reduction in the rate of discount on the part of the Bank, of from 5 to 4 per cent.

SPAIN.

THE terms of the loan contracted for in 1821, the particulars of which will be found at page 120, have given rise to much animadversion in Spain since our article upon that country was completed; and the subject was taken up by several opposition members of the Cortes, with considerable acrimony. On the 26th of June last, they agreed to the following resolutions of the minister of finance with regard to it.

1. That such part of the contract as relates to the 140 millions of reals be continued, as likewise the dispositions contained in article 10, with regard to the dividends of the first two half years.

2. That the conversion of arrears of interest of the Dutch loan, stipulated for in the contract with Messrs. Ardouin & Co. cannot be acceded to, being in contradiction to the decrees of the former Cortes, and calculated to occasion a loss of 6,771,332 reals annually to the nation, without any other advantage than what would arise from the redemption of part of the debt already secured upon a mortgage of national domains and not at present subject to any charge of interest.

3. That in the event of the amalgamation of the old debt being authorised, such cannot take place in any other manner than in as far as the amount of stock created, and of annual charge, of the original contracts be not changed by such operation; whereas as the case first stood, the whole conversion of the old debt would occasion an increase of 814,672,800 reals in five per cent. certificates, and make the annual interest amount to 40,733,640.

4. That the dividends paid on the 1st of May last, or which fall due on the 1st of November next, upon the certificates of 280 millions reals delivered to the contractors, should be charged to their account, as it is not just that the nation should pay the interest upon an operation only entered into for the benefit of the contractors, and for which no consideration had been received.

With regard to the loan to be raised for the service of the year 1822, authorised on the 27th of June last, by the Cortes (page 125—

An advertisement from the office of the minister of finance, dated the 1st of August, states, that until the end of that month, propositions will be received from capitalists, both national and foreign, for the purchase of the 13 millions of 5 per cent. *rentes*, the issue and sale of which was authorised by a decree of the Cortes of the 29th of June last.

On the 1st instant, Senors Diaz del Moral, Pardo, and Suarez del Villar, entered on execution of their functions. The first took charge of the office for the examination, recognition, and liquidation of the documents of the public debt; the second commissioned to superintend the incorporation and alienation of the property consigned to the same object; and the third is exclusively charged with all the national property applicable to public credit, and with the collection of the duties thereto appropriated. In consequence of the falling in of certain annuities, and reduction of various claims, it is estimated that the public debt of Spain, with or without interest, up to June, 1820, does not amount to more than 5,000 millions of reals (about 50 millions sterling). For the liquidation of this capital, the Cortes have appropriated the sequestrated property of the royal patrimony, of the Inquisition, suppressed monasteries, &c. which are estimated at nearly 8,000 millions. But the sales have hitherto produced about 80 per cent. more than their valuation. It is therefore probable, that the whole of the national property will produce double the sum at which it has been estimated.

The decree of the Cortes, authorising a loan of 50 millions of reals for the ministry of the Marine, was officially published in the papers of the 3d August.

An abstract of the budget fixes the charges for the public service of the year commencing with the 1st of July last, at 664,813,324 reals. The ways and means are calculated to cover this expenditure. Among the items under the last

head, the revenue on articles of consumption is estimated at 100,000,000 reals.

A memorial, addressed to the minister of the Interior, has been published by Don Vicente Bertran de Lis, in which the memorialist proposes, on certain considerations, to furnish all the money which may be required for carrying on all the public works of acknowledged utility in different parts of Spain.

DOCUMENTS.

FRANCE.

Extract of the Speech of BARON LOUIS, Minister of Finances, in the Session of 1814.

“ FOR more than three months the direct contributions in several of the departments have been collected for the benefit of strangers. The Registration duties have been suspended by the presence of the armies, or reduced in consequence of the diminution of transactions. The indirect contributions in particular have been completely disorganized: the magazines of tobacco robbed or sold by the foreign occupants, and retailers have supplied themselves during several months with exciseable articles without paying duty, and in defraud of the revenue. The Forests have been devastated; the wood cut or sold for the profit of foreigners, and many of the old purchasers have been dispossessed or ruined, and refuse all payments.

“ The Old Government, by transporting at pleasure the Armies to distant parts, could easily increase its receipts, and reduce or rather conceal the greatest part of its expenditure; but France, it is evident, even with its accession of territory, could not have maintained an Army of from One Million to Twelve Hundred Thousand men without a frightful increase of taxation, and bringing utter ruin upon the nation. We are it is true not called upon to provide for the support of such an Army, not less formidable to its own country than to its neighbours; but the staff remains entire; officers as well as privates, who have so many titles to the gratitude of their king and country, claim their arrears of pay, as also their promised half-pay, and the pensions due to their services and to their wounds.

“ The transition to Peace is expensive to the State. We have besides during the first three months of 1814, borne the whole burden of the support of the French and Foreign Armies. The expenditure of 1814 commenced upon the gigantic scale of the late Government, and particularly that of the first quarter will be very considerable, notwithstanding the rigorous economy enjoined by the King, but which can not be the work of a day; and we must rather experience apprehensions of an augmentation, than cherish hopes of its falling below the proposed Estimates.”

DOCUMENTS—FRANCE.

Second Speech of the Minister of Finances, to the Chamber of Deputies, 1814.

“ Gentlemen,

“ We come, by order of the King, to present to you in his name the situation of the Finances of his kingdom; to propose the settlement and regulation by law of the Receipts and Expenditure for 1814; to provide for those of 1815: and to assign the means for paying the Debts antecedent to the 1st of April, 1814, at some fixed periods.

“ The estimate of the exigencies and resources might have been easily made after the uniform experience of several years of Peace, precedents of the passed would in that case have been sufficient guidance for the future; but this experience is wanting, and it has become necessary to search in our present situation for documents best calculated to estimate the probabilities of the future posture of our affairs.

“ Your first attention must be directed to the service of 1814. You know under what appalling circumstances it commenced. That unexampled period presented the contrast of an excessive Expenditure with an interruption in the Receipts. These Receipts did not during the first three months amount to one quarter of the expenses, and the arrears to the 1st of April amounted during that period to more than 230,000,000 francs. The retrenchments commanded by His Majesty have, during the second quarter, reduced the Disbursements to nearly one half, whilst the Receipts have received a progressive impulse, so as to double their amount when compared with the preceding quarter, which has reduced the proportion they bear to the expenses to one-third. This sensible increase of Receipts, and reduction in the Expenditure, will continue during the next two quarters.

“ The assumed income of the third quarter will not yet equal the necessary amount of disbursements; but we do not think our conjectures deceive us in estimating the deficiency at no more than one-eighth part. In the last quarter, when all the proposed retrenchments will be brought to bear, and when the Receipts will have taken a more regular course and be complete enough to serve as a basis for the service of 1815, we hope to obtain an excess of Receipts over the Expenses of nearly one-fifth, in aid of the preceding quarters.

“ The results offered during the last quarter are favorable omens of the improvements to be expected, as we gradually recede from the disastrous occurrences to which the State has been exposed. In deliberating upon the Budgets, Gentlemen, your first care will be to fix the nature and extent of the exigencies of the State, and to determine their amounts. Your next business must be to direct your attention to establishing the means to meet them.

“ Proceeding in the order of your discussions, we are in the first place about to submit the nearest possible estimate of our wants, that is, to affix the sums necessary for the service of each of the Ministerial Departments; after which we shall have the honor to present you with a statement of the proposed Ways and Means with which it is intended to discharge them.

“The necessities of the current year are naturally affected by the extravagant system of Expenditure existing at the commencement of the year, and which could only be gradually diminished.

“The ordinary and extraordinary services had accrued to the sum of.....francs 1,245,800,000
which by the contraction of our territory, retrenchments, and reforms in the interior, have successively been reduced to..... 827,415,000
making the first diminution incidental to the change of regime..... 418,385,000

The sum of 827,415,000 francs is therefore the amount at which we propose to fix the Budget of expenses of 1814. This general Budget is composed of the particular Budgets of the Administration, and it has been found indispensable to include 331,275,000, being the amount of expenses incurred during the three months prior to their entering into office. It is this latter sum, added to the estimated wants of the last nine months, which swells out the expenses of 1814 beyond the probable means of the year, occasioning a deficiency, which we shall propose to you to establish in the sequel.

“Every Department of the administration is responsible for the regular application of the funds placed at its disposal. The amount of these funds has been determined after the most rigorous investigations of the services required from them, and we believe that the manner in which they have been fixed, will appear to be deserving of your confidence. The heads of each Department will be eager to afford you every explanation you may require, and to place under your view such particulars as will satisfy you of the moderation of the Estimates we have the honor to present you with.

“We must now oppose to the statement of our necessities that of our ways and means to supply them. This statement is annexed, and divided according to the nature of the resources from whence they proceed. The year is too far advanced to admit of any change in the system of taxation, the ruins of which system form the only resources remaining after a subversion of so many families, so much property, industry, commerce, and agriculture.

“The direct Contributions, notwithstanding the injury sustained by the taxable produce which yields them, is the branch of revenue which offers the most hopes. We estimate their proceeds for 1814, with the additional centimes at francs 291,266,000

These contributions have been assessed and collected by virtue of Acts, which not having obtained the sanction of the Legislature will require your approbation to become legal; this object will be attained by the adoption of a project of Law which we submit to your approbation.

The Registration Tax, the proceeds of Domains and Woods offer an apparent produce of 114,715,000

DOCUMENTS—FRANCE.

Should the collection of the indirect Contributions meet with no obstacles, they may produce this year about francs 86,500,000.

The Lotteries, Post Offices, Salt Works *de L'Est*, the *Octroi de Navigation*, and sundry incidental receipts, including a sum of 4,000,000 francs to be furnished by the city of Paris, lead to the expectation of their producing a sum of..... 27,519,000

Total francs 520,000,060

You have seen that the Budget of Expenses was..... 827,415,000

The Receipts will not it appears exceed 520,000,000

Leaving a deficiency of francs 307,415,000

“ This deficiency, forming part of a system of expenditure existing prior to the 1st of April, 1814, reverts to that class of arrears due, for the discharge of which we shall propose the means of payment. We have not included in the Budget of receipts the extraordinary centimes affixed to them, because being absorbed by the requisitions or by the *nonvaleurs*, they present no actual resources for the ordinary service.

“ The amount of 291,266,000 francs of direct contributions is, we are conscious, a heavy burden upon the people, already exhausted by so many losses, but the modifications of which it is susceptible, can only be introduced in the course of time ; it is not possible immediately after the war to enjoy all the benefits of peace. The first years after a war require a continuance of sacrifices to repair the evils which it has occasioned.

“ We now pass to the Budget of 1815, which it is necessary to determine four or five months before hand, in order to allow time to arrange the amount of direct contributions, to prepare the execution of the dispositions you may make with respect to the indirect taxes, and to be ready to commence their collection with the year.

“ The year 1815 opens under very different auspices to those of 1814 ; the influence of peace and order is better felt ; the proportion between the receipts and expenses is more determined ; the action of Government is easier, its precautions more certain, and its protection more efficacious ; public opinion is more tranquilized and strengthened. But the recollection of the misfortunes of the war, or the effect of the efforts made to obliterate its traces, are not so soon effaced.

“ The ordinary expenditure for the year 1815 may be estimated with greater precision ; this service, disencumbered from the remaining charge which weighs upon the expenditure of 1814, will proceed with more economy and ease. Ministers in calculating scrupulously the funds which would be indispensably necessary, have had in view the indulgence due to the unfortunate contributors, and have circumscribed their wants within the narrowest

limits of necessity, of which a glance, Gentlemen, at the Budget of Expenses of 1815 will convince you. It amounts to francs 547,700,000
 To which we propose to add for the arrears that may be
 required, the sum of 70,300,000

Making the total amount of the Budget which we propose
 for the expenses of Government for 1815, to be
 fixed at 618,000,000

“ The particular items, the aggregate of which forms the amount of each of the ministerial credits stated in this Budget, shall, when required, be submitted to your inspection ; they have been carefully examined and discussed in the King’s Council, and his Majesty would not suffer them to be laid before you till he had ascertained that it was impossible to carry moderation further, without compromising the safety of the State.

“ It is the King’s desire, and it will be yours also, that the contributions of his subjects may, under an assurance which will not be illusive, be applied in conformity with the purposes for which they are imposed, and that this application, a statement of which will be annually submitted to your examination, may carry along with it evidence of its public utility. The object of these contributions is to provide means for the punctual payment of the Rentes and inscribed Pensions, not omitting the recompense due to the soldier who has sustained the reputation of our armies in so distinguished a manner, nor the placeman who has served his country with zeal and probity. To surround the Throne with splendour without ostentation ; to insure every where the due administration of justice, to maintain throughout the kingdom a system of police which may protect individual security and enforce the proper execution of the laws ; to give activity to public works of general utility ; to watch over the necessities of worship and public education ; to assist the hospitals ; to help in restoring the destroyed communes ; to maintain an army worthy of France and of its glory ; to restore to the navy an importance analogous to our continental situation and commercial relations ; to provide without parsimony or prodigality for the necessities of the general administration ; to afford encouragement to sciences, the arts, and industry ; and lastly, to facilitate the execution of all the measures which have for object the increase and consolidation of the welfare of the State.

“ The Budget of expenses for 1815 being fixed at 618,000,000 francs, the following are the means we propose, Gentlemen, for the Budget of receipts :

Direct contributions, comprising the ordinary additional centimes, and those formerly classed with the special funds francs 340,000,000

This amount, compared with that fixed for 1814, presents a diminution of more than 80,000,000 francs.

Registration, Domains, and Woods francs 120,000,000

We propose to let the tariffs of the Registration remain unaltered in 1815. They require to be revised, many of them having been overrated, and are consequently eluded. We hope to produce an increase of revenue by a reduction of tax. But the labour required for these alterations obliges us to defer to the next year the improvements we have in view, and we cannot hope to obtain in 1815 an amount exceeding our estimates.

Post-Offices, Lottery, Salt Works *de L'Est*, *Droits de Navigation*, and incidental receipts 28,000,000

We do not know whether the peace will produce any improvements upon the proceeds of the Post-office and the Lotteries, but before the different correspondences have taken their full development, and the circumstances of the people give greater scope to a revival of the spirit of Lottery adventures, it is not to be expected that any material increase of the revenue will arise from them.

The above proceeds only present a total of francs 488,000,000

We can only look forward to the indirect contributions for the remaining means required, and they should for that purpose yield the sum of 130,000,000

The amount at which it is proposed to fix the Budget of 1815 being 618,000,000

“ The Customs are not to be depended upon after twenty-two years of war, and an overstretched system, of which nothing can remain; they should not be considered so much in the light of a fiscal resource as the means of encouraging industry; the customs are besides of a nature to yield least when most is wanted; the slightest war makes them unproductive. There is therefore no reliance to be placed on such a resource.

“ In this situation you will see, Gentlemen, whether it does not become necessary to seek in a duty on fermented liquors the assistance we cannot find elsewhere. The King, in his absence, has long deplored the vexations to which the people were subject, in consequence of the abuses incidental to the collection of the *Droits réunis*; his first care has been to announce its abolition through the princes of his family who preceded his arrival.

" But the state in which his Majesty found France on his return, the immense amount of arrears to be paid off, the number of brave men whose fate was to be determined upon, have imposed upon him the necessity of preserving to the State resources commensurate to the evils to be corrected, and to the discharge of such sacred obligations. His Majesty did not however desire that these imperious circumstances should frustrate the expectations of relief, which his subjects hoped for from his love. He has commanded us to seek for the means of replacing, or at least of alleviating that tax, the pressure and manner of collecting which, created so much uneasiness.

" We have employed ourselves in conforming to the beneficent intentions of his Majesty, and to reconcile the interests of the finances with the indulgence due to the freedom of commerce and of property. But before committing our ideas into the form of a project of law, to be submitted to public discussion, we are desirous of communicating with you on the subject, in order to obtain information to enable us to present to you with more confidence, and upon matured reflection, results worthy of your approbation.

" Having called your attention to the regulation of the Budgets for 1814 and 1815, it remains to speak to you of the arrears of debt.

" France, notwithstanding her internal wealth and the foreign resources placed at her disposal, was unable with such extensive means united, to bear the excessive amount of her expenditure. The Budgets of the years prior to the 1st of April, 1814, were therefore always below the real amount of her disbursements, occasioning deficiencies year after year, which at the present day have arrived to the sum of 1,368,000,000 francs: and it is required to proceed to the extinction of this enormous debt, the last and melancholy remains of the disorders of our revolution. But it is necessary to make the following deductions to reduce it to the amount at present claimable.

- | | | |
|------|---------------------|--|
| 1st. | 244,000,000 francs, | credit of the extraordinary Domain, extinguished in consequence of the confusion of accounts. |
| 2d, | 305,000,000 | amount of securities and sundry deposits, the principal of which cannot be claimed, and only producing an annual charge of interest.* |

549,000,000 francs.

" The amount of arrears really due, and for the payment of which it is urgent to provide, is therefore 759 millions.

" If the present period does not offer the means of discharging it, we are compelled to postpone it to a time when less inconvenience will attend it, which, for the interests of the creditors and the honour of the State, should not be too distant. Anxious to do the creditors of the State that justice they have a right to expect from French honour, we have sought for a mode of payment

* This sum of 305,000,000, includes 46,000,000 of arrears of the public debt and interests on securities, which though due before the 1st of April, was brought in the Budget of 1814, that the payment might be no longer delayed.

conformable to their interests and to their accommodation. We have imagined that it might be to their advantage to put them soon in possession of vouchers, which would at once fix the amount of their claims, and might be easily and advantageously disposed of, but to give to those vouchers that degree of credit which the reality of our intentions entitles them to, it was necessary to secure them upon a palpable and solid basis.

“ Three resources appeared to us to be deserving of being proposed to you for these securities, namely—

“ 1. The savings arising out of the Budget of 1815, and which the moderate expenditure ensures to us.

“ 2. The appropriation of three hundred thousand hectares of National Forests, and the Communal Estates remaining unsold.

“ 3. Five per cent. consolidated inscriptions for such of the creditors who might prefer them to the vouchers issued.

“ We conceive it to be important not to defer the creation of these vouchers, with the nature and form of which we are about to acquaint you, that the payments for which they are intended may immediately follow the liquidation of the arrears.

“ These vouchers will consist in obligations of the Royal Treasury made to bearer, payable in three years after the date of the *ordonnances*, and bearing an interest of eight per cent. from that date. High as this rate of interest appears, we have no right to fix it lower, because according to the price of the Rentes, a similar rate of interest is paid upon capital vested in them, and obliging the creditor as we do to wait for the payment of his claim, it was but justice to allow him a rate of interest equal to what he would have derived from the public funds.

“ Holders of the obligations shall be at liberty to convert the amount in inscriptions on the Great Book of five per cent. consolidated with interest from the half year in which the *ordonnance* shall have been granted; and should such conversion take place after the payment of the first or second term of interest, the dividends to commence after such period.

“ In proposing to you to put off for three years the payment of the vouchers intended for their discharge, it is only stipulating for a delay dictated by prudential motives, that there may be no doubt of our fulfilling our engagements. But we hope it will not be necessary, and that with the means for which we have applied to you, we shall be able to call them in before they become due; so that we may by such anticipations of payment abridge the duration of so high a rate of interest, which the fear of infringing upon the rights of the creditors has induced us to concede.

“ The Finance Law, of which we present you the project, authorises this mode of liquidation, and contains the dispositions to insure its faithful completion, of which the ministers will render you an account.

“ With whatever expedition the liquidations be attended, we do not imagine that they will extend, during the remainder of the present year, and throughout 1815, to all the claims which will be made. This delay, a conse-

quence of the nature of the debts, will facilitate us in preparing the means for their extinction.

“ We would eagerly have occupied ourselves with a redemption of much greater importance, if the resources we could have applied to it had not been claimed in priority by the urgency of arrears due. The constituted debt, the value of which is so depressed, requires to be upheld by the entire application of that system, which has, as yet, only been attempted in France, and of which the name is better known than the extent of its advantages.

“ The consequences of a well combined system of redemption, followed up with perseverance, must, at the present day, appear evident, by comparing the high credit England enjoys with the enfeebled state of our own. There, public confidence has continued invulnerable in the midst of every convulsion, notwithstanding the increase of debt; here credit has languished under similar circumstances, and with a diminishing debt.

“ It is the punctual fulfilment of engagements which has produced with our neighbours such different results to those presented amongst us. This principle has given rise in England to the idea of placing at the side of a heavy load of debt, a counterpoise to lighten it, and tending to maintain the equilibrium; we regret that we cannot as yet introduce in the administration of our finances, a similar germ of prosperity, nor propose to you to devote a part of our ordinary unappropriated revenue to the purchase of our constituted debt.

“ Our public securities, fallen into a state of depression, casting a doubt upon their validity, would soon be restored to confidence if continued purchases diminished their circulation, and assimilated their real value more to their nominal one. Such a revival of public credit would even be more advantageous to the tax-payer than to the fundholder.

“ But a good Sinking Fund can only be established upon a revenue exceeding the ordinary exigencies of the state, and this excess must be made apparent upon the general account before it will be entitled to credit. We have calculated amongst our resources for discharging arrears, upon the surplus which the account for 1815 presented; and when we lay before you the Budget of 1816, we hope it will be possible to foresee another surplus, which will enable us to lay the foundation of a redemption of the constituted debt upon a solid basis. In short, all our efforts shall tend to enable you to assign exclusively a certain and determined portion of the public revenues to the payment of the Rentes, and their gradual and continued redemption. It is the only fund we are anxious to establish upon the ruins of the system of special funds, which were only of local and paltry utility, when compared with the great and general advantages to be expected from the one under consideration.

“ We thought we could not close the present exposé of our finances without drawing your attention to a subject so essential to their prosperity. We have now, Gentlemen, laid before you the financial situation of the state, as it appears to us; it is more fully developed in the report made to the King by

the Minister of Finance. This report will be presented to you with the account which the late Government had prepared for the last Legislative Body.

“ You are, Gentlemen, by the nature of your mission, in the confidence of the affairs of the kingdom and the King, who to direct them properly, is conscious of the powerful assistance which your concurrence will afford him, hopes to have additional cause of congratulating himself upon this association, in the result of your deliberations upon the measures which his Majesty proposes to you through our medium.”

Report to the King.

“ Sire,

“ Conformably with the commands of your Majesty, we have united the particular Budgets of each Department of the Administration for the year 1814, into one general Budget : but it is necessary to make a few preliminary remarks on the system followed upon that subject by the late Government, and on the state of the preceding Budgets, according to the last account and to the last financial law.

“ The system of the Old Government presented the appearance of order and punctuality. In the last months of each year, the different branches of the administration were held to inform the Minister of Finance of the sums required for the disbursements of the following year ; the amounts were then added together, and constituted the general Budget of expenses. The same Minister also drew up an estimate of the probable revenues for the year forming the Budget of Receipts ; these statements divided under different heads, composed the General Budget of the State, and were submitted to the Legislative Body.

“ Had this work been complete and accurate it might have been useful ; but a sincere Budget, giving a correct account of the actual amount of Receipts and Expenditures, never was presented to the Legislature. The Expenses were always underrated, as is evident by the amount of the deficiencies ; and the revenue exaggerated, as appears by the number of arrears of no value still remaining on the different Budgets after being frequently rectified.

“ We shall in the following report present a summary view of the state of the finances, arising from the union of the different services of the special funds, and of the various auxiliary funds of the Treasury ; all these divisions concealed the real extent of the expenses and the actual state of the finances, by complicating unnecessarily all the accounts.

“ In order to present to your Majesty a general view of the finances, we shall commence with the state of the Budgets of the preceding services, and shall prove by the last financial statement prepared in 1813, that these Budgets offer no further resources ; after which we intend to lay before you an estimate of the Budgets of receipts and expenses for 1814 and 1815 ; propose the fixing thereof ; and conclude with treating of what concerns the deficiencies in the administration, and of the finance department on the 1st of April, and of the means of providing for them.”

*Account and State of the Budgets of Receipts and Expenses of the
Services of the years 1810, 1811 & 1812.*

“ The Law of 20th March, 1813, is the last which determined the Budgets of services, and becomes therefore the point from whence we must proceed. The situation of these services should have been presented to the Legislative Body in 1814. We cannot make that situation better known to your Majesty than in laying before you the last unpublished financial account, containing the state of the Budgets of the preceding years, to the 1st of October last, and the project of the intended Budget for the year 1814. This account is annexed, as it was prepared in the usual form, printed in the last months of 1813, and communicated to the Council of State, and deposited with the Ministry of Finance and at the Royal Printing Office.*

“ We are not desirous of reforming, or criticising the last financial account, the statements which it contained, or the measures intended to be proposed; but this account must be produced, as it contains the last acknowledged state of the Budgets of the late government, and thus becomes the basis of the statements and comparisons which we must present relative to the Budgets of the preceding years, and of the expenses of the first and last months of the year 1814.

“ The Budgets presented on the one part exaggerated receipts, and on the other underrated expenses. The amount of the underrated sums can only be estimated by the different members of the administration; they form the deficiencies of which we shall speak hereafter. We shall in this place only shew the real deficiency in the receipts, appearing on the face of the last accounts prepared for the late government.

“ The service of the year 1810 is represented as balanced, the income being adequate to the outgoings.

“ That of 1811 shews a balance to be recovered of 6,302,414 francs, which after the expiration of two years there remains no hopes of collecting.

The service of 1812, of which the receipts were estimated

at	Francs	1,070,000,000
only presented an actual amount of receipts of		1,013,399,621

Leaving to be recovered.....	Francs	56,600,379
------------------------------	--------	------------

But on examining the accounts more closely, there appears
an absolute deficiency of 32,500,000 francs arising from
the expectation of an extraordinary receipt not realized,
and that the remaining 24,100,000 francs consisted only
of previous over-estimates, which would in the course of

* The accounts are closed on the 1st of October last, but since that date the state of the services of 1809, 1810, 1811, and 1812, have experienced no particular alteration, and have produced no further receipts.

the next year have been written off. Two unrealized amounts are independently included in the receipts fictitiously represented by <i>Bons</i> of the Sinking Fund, the pledges for which have not been received or have been forfeited, namely, extraordinary means, or estates to be sold in the Roman Dominions	Francs	48,000,000
Deductions on the sales of Communal Estates*		77,500,000

So that instead of presenting a resource of 56,600,000 francs, the Budget of receipts for the service of 1812, experienced a deficiency of †

180,100,379

State of the Budget for the Service of 1813.

“ The last financial account gives no details or statements of the situation of the service of 1813. We supply them by the annexed accounts, No. 1, and 2, closed on the 1st of April: they refer to the amounts fixed to the successive Budgets, and the receipts and expenses down to that period; from whence result the state of the revenues and of the credits of the different departments of the administration.

“ In order to close the account of the year 1813, we propose to apply the trifling amount of arrears arising out of it to the service of 1814; so that the state of the Budget of receipts for the service of 1813 will remain fixed conformably to the account No. 1. The Finance Law of 20 March, 1813, had by article 12 fixed the Budget for the service of 1813 at the sum of 1,150,000,000 francs in receipts and expenditure; since that time no Legislative measure has fixed the Budgets, or authorised and sanctioned the taxes of 1813 and 1814. Imperial Decrees have supplanted all legal forms.

“ The estimates of many sources of Revenue of 1813 had in the law of 20 March been foolishly overrated, as for instance, the proceeds of Tobacco taken at 70,000,000 francs, and the *prélèvements* on the sales of the Communal Estates valued at 149,000,000 francs. The insufficiency of the receipts being more felt as the necessity of making good the misfortunes of a disastrous campaign encreased the expense, extraordinary impositions were ordered. The decree of the 11th of November, 1813, enjoined, that in addition to the contributions ordered by the law of the 20th March, 1813, thirty additional centimes should be collected upon the principal of the direct contributions, on doors and windows, and on the *Patentes* (Licences) of 1813; a second tenth, or double duty, per kilogramme on salt, and 10 centimes additional upon the *Droits réunis* and the tariffs of the *Octrois*.

* The situation of the Communal Estates will be presented further on.

† The official document mentions 178,100,379 francs. (Note of the Editor.)

"These extraordinary contributions would, it was estimated, produce an additional income of 109,000,000 francs. Other expectations were valued at 42,000,000 francs more; and it was admitted that this sum of 151,000,000 francs, would be barely sufficient to make good the reductions already apparent on the first estimates, and added nothing to the real resources for the service of 1813. These reductions and augmentations have been balanced in the manner stated in the account No. 1.

"A new Budget was fixed by a decree of 26 November 1813, at a similar sum of 1,150,000,000 francs; but the actual receipts have fallen considerably short of this sum of Francs 1,150,000,000

The Receipts of the year 1813, ascertained to the first of

July, only amounted on the 1st of April, 1814, to..... 871,418,000

Leaving thus an actual deficiency of Francs * 278,582,000

The greater part of this sum remaining to be collected in the provinces separated from France.

"To complete the statement of the Budget for the service of 1813, we present in the annexed account, No. 2, the state of the expenditure of that service :

It amounted on the 1st of April, 1814, to Francs 975,454,000

The Receipts only were 871,418,000

The payments of the year have therefore exceeded the
receipts by Francs 104,036,000
which advances were made at the expense of the sums deposited in the
Caisse de service and in the sinking fund.

"So that every year, the head of the government presented Budgets to the Legislative Body and to the nation, which he knew to be doubly fallacious; by containing on the one part exaggerated expectations of receipts, and on the other underrated accounts of expenditure. We have shewn that the arrears to be recovered according to these Budgets, are of a nature not to leave any hopes of their ever being received. These Budgets may therefore be considered as completely closed in as far as regards the receipts, and it only remains to provide the means for the payment of the enormous debt resulting from the insufficiency of the revenues and the excess of the expenditure.

* This deficiency was estimated in the first instance at 158,500,000 francs, but it became since necessary to deduct the bonds and other effects brought to the credit of the account remaining unrealized arising from the sales of wood and from sums to be recovered in the departments separated from France.

*Project of the Budget of the Year 1814.**Budget of Receipts.*

"The year 1814 opened with enormous necessities, the melancholy consequences of the unexampled reverses of the two preceding campaigns. The fatal effect of these disasters was the annihilation of many resources of the Treasury, and the circumscribing of them all. The impossibility of making good the expenses of the war was evident.

"Nevertheless, by the decree of the 4th of January, 1814, the Budget of receipts was settled as it is brought in the last Financial Account, and by the annexed statement, No. 4, at the sum of 1,176,800,000 francs.

"To form an idea of the deficiency which such an estimate would occasion, it will suffice to observe, that the customs were calculated at producing 100,000,000 francs, although neither in the year 1812 or 1813 had they reached that sum;* years during which these proceeds carried to the highest pitch by the development of an oppressive system, now for ever subverted, were further encreased by considerable seizures made by the armies in distant parts, where their presence rendered a great portion of Europe, in a measure tributary to the French Customs.

"The *Droits réunis* were valued in the Budget of the 4th of January, 1814, at the sum of 194,000,000 francs.† This valuation exceeded that of the former year by more than 50,000,000 francs, and never could have been realized under the most favorable circumstances, and with the most rigorous measures of collection.

"All the other estimates were over-rated in a greater or less proportion; yet all these exaggerations could not carry the Revenue above 853,000,000 francs; and in order to obtain an apparent surplus over the acknowledged expenses and announced receipts, it became necessary to add 323,800,000 francs of extraordinary ways and means to the Budget, the realization of which was still more problematical than the ordinary revenues.

"Such a Budget of Receipts, even under ordinary circumstances, would have inevitably occasioned a deficiency of more than 400,000,000 francs. But from the first days of January, France was invaded on all sides; the Custom House lines were broken; the collectors of the direct taxes, the receivers of the *Droits réunis*, and of the registration, were obliged to take flight or to collect the taxes on account of the foreign armies; requisitions and pillage were exercised by the troops. Soon after, forty-four Departments were

* Net Receipt of the Customs in 1811	102,962,800 Francs.	} Financial Accounts of 1812. Statement annexed, N. 1.
1812	95,494,000	
1813	98,620,000	

†	Namely {	<i>Droits réunis</i>	141,000,000 Francs.	} 194,000,000 Francs.	
		Tobacco {	Net Proceeds		30,000,000
			Reimbursement		
			of Obligations		23,000,000

separated from France. This last cause would alone have been sufficient to diminish the receipts by a third part, and to reduce them to less than 600,000,000 francs in 1814. The effect of the other causes is incalculable; and though the return of your Majesty and the conclusion of peace have permitted us very soon to repair some of these disorders, many have been prolonged and have produced consequences the effects of which will long be felt.

“ These causes prevent our estimating with precision, as in times of quiet, the proceeds of 1814. We have attempted to value them, and avoiding as much as possible all illusion and exaggerations, the most dangerous errors in finance, either when made out and received in good faith they tend to inspire a degree of confidence which events do not justify, or when, arising from the thoughtless desire of announcing happy results, they destroy all confidence in such erroneous promises.

“ We cannot estimate the revenue of 1814 at more than 520,000,000 francs, as per the subjoined statements 3 and 4; and it is but too easy to explain the causes which render our estimates so much lower than those of the first project of the Budget.

“ The first article of the proposed Budget, that of the direct contributions for the service of 1814, will it is supposed produce 291,266,000 francs. The direct contributions for 1814 have not yet been voted by the Chamber of Deputies. A decree of the 9th January, 1814, orders that they shall be collected as in preceding years; and that 50 additional centimes be levied on the principal of the *Contribution foncière*, and that the contribution on persons and moveables, and on doors and windows, should be doubled: the project of law was prepared upon that footing; and in this way these taxes have begun and continued to be provisionally collected.

“ The year is too far advanced to allow of any important changes being made in levying the direct contributions and ordinary additional centimes for the service of 1814 with advantage; they are besides such as have been imposed since 1806, by sundry enactments: we must content ourselves with demanding now, that they may be legally confirmed.

“ The Budget of the 4th January, 1814, estimated the ordinary direct contributions at the sum of.....	Francs 306,000,000
To which must be added the proceeds of the variable additional centimes, carried to the account of the Special Funds and not included in the Budgets amounting to..	54,000,000
The total amount of direct contributions would thus have been.....	Francs 360,000,000
It is only brought in our proposed Budget at.....	291,266,000

The reduction therefore Francs 68,734,000
arises only from the diminished number of departments. We include wholly and without deductions in the Budget of receipts, the direct contributions with the ordinary additional centimes of 1814; yet in a great many depart-

ments, their collection has been disturbed ; receipts have been made on account of the troops by which they have been occupied ; the requisitions and ravages of war have disabled several provinces from paying the contributions. The deficiencies in the receipts on account of the ordinary direct taxes for the years 1813 and 1814, will be very considerable.

“ We shall in our estimates therefore only leave blanks for the fifty extraordinary centimes on the *contribution foncières* of 1814, as well as for the doubling of the contributions on persons and moveables, doors and windows. As we shall consider a great part of their proceeds to be absorbed by the compensation with the *Bons de réquisitions* authorised by order in Council of the 13th of June last, and that the sums which have been, or may be collected in the departments which have remained unoccupied, will be just sufficient to cover the unavoidable losses incident to those where the collection of the ordinary contributions has become impracticable. This estimate, as the most part of those which we present in the midst of the uncertainties by which we are surrounded, is dependant upon circumstances.

“ The account of the proceeds of the ordinary and extraordinary direct contributions for 1813 and 1814, will be presented to your Majesty as soon as the receipts are completed ; but for the present, we think we can only regard the extraordinary contributions in the light of compensations, for the ordinary contributions whereof the treasury has been deprived by the collections of foreigners, by requisitions and by devastations, and that consideration is certainly the most powerful motive for requiring the continuance of the extraordinary contributions for 1814, since they add nothing to the resources of the treasury, and only fill up the chasm which circumstances have occasioned.

“ The receipts of the administration of the registration and domains had been estimated at 156,000,000 francs ; our estimate has only been reduced in as far as regards the departments separated from France. Let us hope that the return of peace and commerce will multiply the transactions, and that the duties for the next six months will encrease to an amount sufficient to make good the losses and interruption occasioned in the receipts of the first six months of the year.

“ The Forests have been exposed to the greatest devastations by the events of the war, the scene of which was in the departments richest in this species of property. The presence alone of the armies was sufficient to prevent the cutting down of the woods determined upon, the proceeds and payment for which is necessarily put off to the next year ; partial or entire reductions in the stipulated price, or at least long credits, are solicited by the greatest number of purchasers of the wood payable in 1814 ; and most part of the sums due have not been paid.

“ Instructions have been given to enquire into the situation of the claimants ; this investigation, naturally slow, is not in a sufficiently forward state to allow us to enter into particulars, but great deficiencies are to be apprehended ; the first estimate of 36,000,000 francs is evidently overrated ; the net proceeds

for 1814, cannot well be taken in the Budget of 1814 at more than 10,000,000 francs, after deducting 6,000,000 francs for the charges of the administration of the Forests, which are the same whatever the proceeds of the sales may be.

“ The application of these proceeds was anticipated for one year; for the sums recoverable in 1814 were considered as belonging to the service of 1813. The natural order of things must however be restored, and the funds arising from the sale of wood must, as well as the domainal Revenues and the indirect contributions, belong to the years in which they are collected.

“ The miscellaneous receipts are estimated to produce together 27,500,000 francs.

“ The small sum of 4,000,000 francs, at which the proceeds of the Lottery have been valued, is but too well warranted by the returns of the first six months of 1814, which have not even yielded one million, and by the experience of preceding years, during which they have never exceeded 6,000,000 francs annually for the whole of the eighty-six departments of France.

“ We may hope that the extension of commercial intercourse, and the impulse given by the peace to business in general, and to all matters giving rise to epistolary correspondence, will bring the produce of the Post-office to the sum of 12,000,000 francs, at which we have rated it, notwithstanding the diminution of our territory.

“ The company of the salt works of L’Est, whose establishments have been during several months in the possession of foreign armies, claim a reduction of rent for the year 1814; this claim will be examined into; but in the mean while its payments into the treasury have only been estimated at one half of the usual annual sum; without prejudice however to the definitive determination on that head, which we shall ultimately have the honour to submit to your Majesty.

The total amount of the above estimated proceeds only furnish the Budget	
with a revenue of	Francs 433,500,000
so that to complete the amount fixed upon of	 520,000,000

there will appear a deficiency of	Francs 86,500,000
---	-------------------

which can only be supplied by indirect contributions.

“ The administration of the indirect contributions includes the customs, salt, tobacco, and the duties laid upon several articles of home consumption.

“ The Custom Houses, with the entire system upon which they were founded, have been completely overturned ever since the first days of 1814, but most of the expenses attending them have outlived the period of the receipts to which they gave rise: it is thus to be feared that the customs destined hence forward only to afford useful protection to industry and commerce, and reduced to the receipt of moderate duties, instead of forming a branch of productive revenue, will scarcely furnish the means of defraying the expences of their own establishments, extended as they must be on a long line of frontier guarded with extreme difficulty. This resource, exposed more than any other

to the temptations of fraud and to the hazard of circumstances, offers no fixed and regular results, and generally fails altogether when most wanted. No certain dependance can be placed upon the proceeds of the customs, the receipts arising from them being of too casual a nature.

“ Other duties on consumption have this advantage, that being collected in the interior, they are not so soon affected by circumstances, and present a more solid basis upon which to establish a system of permanent and certain revenue. But after the confusion and disorders to which the collection of the indirect contributions has been exposed, they will require an entire new organization calculated to suit the accommodation and interests of consumers, and those of commerce, without sacrificing altogether the rights and exigencies of the Treasury. The numerous modifications to be made in the tariff, and in the system of indirect contributions, require mature discussion and deliberation. Your Majesty has empowered us to confer with the Chamber of Deputies on a project of law respecting them. We shall present it as soon as its various parts have been duly considered and arranged.

“ We shall add to the budget of receipts, for 1814, the special funds, not comprised in the budgets presented to the Legislative Body for the preceding years, for the following reasons.

“ The Budget of the State is not complete if a part of the receipts and expenditure be separated, if they be not all included in the vote of taxes, and if no account be rendered of their amount and employment; besides these inconveniencies which in the system adopted by your Majesty, to make known to the Chamber of Deputies the total amount of all the receipts and expenditures of the State, will not allow the keeping of special funds, and the division of services, the serious inconvenience attending such a mode of keeping accounts, should have prevented its adoption under any system, since it can only be useless or dangerous; for in cases where specific receipts devoted to special disbursements are exactly equal, which is the perfection of such a system, it becomes of no advantage, since these particular receipts and payments might as well have been comprised in the general account of income and expenditure, without disturbing the equilibrium of the budget; and if the receipts particularly affected to any special purposes, should fall short of the amounts required, such purposes must either remain incomplete, (however much they may be required) or the expenses incurred remain unpaid, unless indeed the deficiency be made good out of the general funds of the budget; and lastly, where the receipts exceed the amount required, it will not be possible to apply them to any other purposes, or by an abuse of every principle of good administration, which has but too often happened, the superabundant funds will be employed in useless undertakings, and expenses without any particular object, incurred merely because by an error of calculation too much money has been provided, whilst more urgent services may remain incomplete for want of the necessary means.

“ Such a system, always useless in times of plenty, would become extremely dangerous in moments when the necessities of the state are urgent and

multifarious, if conscientiously acted upon, which is never the case; and what establishes the correctness of these remarks more than any thing else, is the actual situation of the Special Funds on the 1st of April.

“ The excess of receipts made on account of these funds above the required expenditure was

By the Treasury	Francs	53,580,000	
By the Sinking Fund		30,000,000	
			Francs 83,580,000

“ But these Funds were not respected; they were employed for the expenses of the war, without any regard to their origin and to their special application.

“ We consider the union of the receipts and expences on all the services of the general and special funds, as indispensable in their present situation, and necessary in every system of responsibility founded upon regularity and good faith.

“ Direct contributions alone must be collected under separate heads for the inspection of the different accounts; one simple division is necessary in the making up of the accounts, namely that of the current and of the preceding years. We propose to preserve it, but we can only acknowledge one description of special dotation as necessary and to be kept sacred: it is that, which devotes a fixed revenue out of the general income of the state for the payment of the interest and redemption of the funded and floating debt. It is the only specific application of funds which we shall propose for your Majesty's adoption, after having pointed out its advantage and expediency in the sequel of this Report.

“ We include the total amount of Revenues to be collected in 1814, in this year's Budget, without any distinction of special funds or of services. We shall only observe, that amongst the various receipts is included a sum of 4,800,000 francs, payable by the City of Paris, to be laid out at the suggestion of the Minister of the Interior, in works of embellishment and utility, at the charge of that city; these works are not to be undertaken should the funds not be furnished to the Treasury.

“ The Budget of receipts for 1814 was estimated by the decree of the 4th of January, with the addition of the Special Funds at Francs 1,245,800,000

“ The course of events, the diminution of territory, and the exaggerations of the Budget, occasion a reduction which cannot be taken at less than 725,800,000

“ The ordinary receipts of all kinds in 1814 will not exceed Francs 520,000,000

“ We are willing to hope that this reduction, warranted by the experience of the first six months, may be falsified by the actual receipts of the next six months, and we shall neglect nothing for that purpose; but before concluding the chapter of revenue, it is necessary to observe that in our valuations we have taken into consideration the probable increase of receipts during the

latter months of this year, and that we should have presented smaller estimates still, had we rested our calculations upon the results of the months gone by. We trust the revenue in future will shew, every month and every quarter, a progressive increase.

The Receipts of the first Quarter of 1814, were only	Francs	77,072,000
Those of the second Quarter may amount to .....	....	132,928,000
We must therefore estimate those of the third		
Quarter at... ..	....	150,000,000
And of the fourth at .....	....	160,000,000
In order to obtain the above estimated total for the		
year .....	....	520,000,000

Budget of Expenses for the year 1814.

“ The Budget of Expenses for the year 1814, was fixed by the decree of the 4th of January, at the same amount as in the financial account of 1812, page 33, at the sum of francs 1,176,800,000
 Adding the special funds..... 69,000,000

Making the total amount of expenses..... 1,245,800,000

“ As your return, Sire, and the restoration of peace, must be attended with a considerable reduction of expenditure, Ministers have been anxious to conform with your Majesty's views for the relief of his people, and to obey the instructions you have given them to regulate the expenses upon a principle of progressive economy, which might render it possible to meet them out of the reduced receipts of the Budget.

“ It would have been desirable could the balance between the expenditure and receipts have been immediately restored, but owing to the impossibility of making in the first moments, and abruptly the reforms and reductions incidental to a state of peace, and required by our financial situation, Ministers have been obliged to effect them gradually.

“ By dividing their Budgets into quarters, they are enabled to demonstrate that a gradual reduction of expenses has taken place, to the effect that it will appear that in the last quarter of the year the current receipts will exceed the corresponding amount of disbursements. This excess will be maintained, and must encrease in the course of 1815, so as to furnish means which will co-operate in the discharge of former deficiencies.

“ The subjoined statement, No. 6, presents a summary of the Budget of Expenses, in actual disbursements of the various departments of the administration, made or to be made, in the year 1814, and divided into quarterly accounts; they are,

For the First Quarter	francs 331,275,000
..... Second ditto	188,601,000
..... Third ditto	172,022,000
..... : Fourth ditto	135,517,000
Total for the year	francs 827,415,000

“ The first quarter belongs to the old Government, it is out of all proportion with the following quarters. The Ministers admit that the stores delivered, the pay of the army, salaries and other expenses of that quarter, amounted to francs 331,275,000

The receipts during that Quarter, as per statement

No. 3, were..... 77,072,000

In that Quarter alone therefore there appears a deficiency of 254,203,000

The expenses of the second Quarter of 1814, shew a reduction of nearly one half, being only estimated at 188,601,000

Yet they exceed the revenue of that Quarter, which can only be computed at..... 132,928,000

Shewing a deficiency of 55,673,000

The reduction in the expenditure increases still more in the third Quarter, and it is taken at..... 172,022,000

Receipts encrease and may amount to 150,000,000

Only leaving a difference of 22,022,000

We may, after the hopes held out by Ministers, expect to

see the expenses of the last quarter of 1814 reduced to.. ... *135,517,000

And the revenue, according to our estimate, will yield 160,000,000

Thus presenting an excess of receipts of francs 24,483,000

“ Finally, taking in the first instance the revenue of the last quarter of 1814 as a basis of the revenue of the next year, we may fairly look forward to a surplus of 70,000,000 francs in 1815, as we shall make it appear when we present the Budget of that year to your Majesty.

“ We do not consider, however, these comparisons in the light of positive and invariable calculations; their only intention is to shew, that all the Ministers assist the Minister of Finance in endeavours to equalize the receipts to the expenditure, and to leave a sufficient amount over to furnish the means of discharging former engagements.

* The official Documents make this sum 135,717,000, and the excess of receipts for that quarter amount to 24,283,000, but this, or the expenses of the last quarter as stated above, must be a mistake.—EDITOR.

“ Taking now the aggregate of the service of the year 1814, we shall find that the united demands of all the members of the administration require for the expenses of the Budget the sum of francs 827,415,000
On account of which there had been paid before the 1st

of April* 152,881,000

There would therefore remain to be paid in the last 9 months 674,534,000

We have seen that the receipts of the year

1814 would only amount to.....francs 520,000,000

That there has been collected and expend-

ed during the first three months 77,072,000

There only remains to be collected and ap-

plied to the service of the last nine

months a sum of 442,928,000 442,928,000

The charge of the year 1814 therefore exceeds the ways

and means by 231,606,000

which deficiency originates in the excess of expenses during the first quarter of 1814. I am in hopes that it will be considerably reduced by the saving made in the course of the year, and by a strict scrutiny of the credits granted in the first months of 1814. This deficiency in the first quarter of 1814 must be transferred to the credit opened for the payment of expenses previous to the 1st of April, as it is proved that it cannot be discharged out of the receipts of the year; it is the only method of equalizing the revenue of 1814 with the expenditure.

“ In corroboration of this report, I subjoin the detailed Budgets divided into chapters which have been transmitted to me by each minister, in conformity with the orders of your Majesty. The project of the general Budget for the year 1814, is composed of the annexed statements, No. 3 & 7, which we intend to subjoin to the first section of the project of Law, under the letters A & B.

* It would appear strange at first sight, to make the sums paid on account of 1814,
amount to - - - - - 152,881,000
and those received only to - - - 77,072,000

making it appear that a sum of 75,809,000 had been paid more than received. But this amount was taken out of previous receipts; out of the special funds, deposits, and other anticipations of receipts. Notwithstanding the division of services, and of general and special funds in the Budgets and accounts, the actual funds on hand were necessarily common to all the different services and expenses, without any other rule than the urgency of the case.

PROJECT OF THE BUDGET FOR THE YEAR 1815.

“ The preparatory arrangements relative to the collection of the direct contributions, require four or five months time ; it is therefore necessary to occupy ourselves now with the Budget of 1815. We propose to fix at present the Budget of receipts and expenses of that year, in order to give your Majesty a new testimony of the desire of operating the retrenchments you have commanded, and because this Budget forms a necessary part of the whole financial statement we have to submit to you.

In the annexed statement, No. 8, the receipts for 1815

are valued at francs 618,000,000

The expenditure has been fixed by your Majesty as per

statement, No. 9, at..... 547,700,000

This account therefore shews the fulfilment of the promises held out, and the fruits of the economy consequent upon the progressive reduction of the expenses of the last three months of 1814, by leaving a disposable surplus of francs 70,300,000

“ In the report on the subject of the deficiency antecedent to the 1st of April, we propose to devote this sum in part payment thereof.

“ In the project of the Budget, the revenue is estimated at 98,000,000 francs more than that of 1814, not only without having had recourse to the augmentation of any duty, but on the contrary with an actual and considerable reduction in several of the contributions. At the same time the expenses are fixed at 700,000,000 francs less than those which were originally proposed for 1814.

“ The increase of the proceeds of the indirect contributions, and of those of the registration anticipated in this Budget, will not arise from any augmentation in the number or amount of these taxes, but will be the consequence of the peaceable execution of the new law intended to be proposed for the reorganization of the indirect contributions, but more particularly to improvements incidental to a state of peace ; to the confidence inspired under your Majesty's Government, and to a more easy mode of collecting them.

“ The principal resource of the Budget of 1815 is the proceeds of the direct contributions. They require some explanation. We intend to reduce them to a sum much smaller than what was imposed upon the tax-payers in 1813 and 1814.

“ The *Patentes*, Licenses, were augmented one-third in 1813 ; this augmentation will be suppressed.

“ The Door and Window Tax was doubled in 1814 ; we intend in future only to collect the original amount of these duties, together with the usual expenses of collecting. And we also mean to suppress the increase in the contribution on persons and moveables, (which had likewise been doubled) and the 50 additional centimes on the *contribution foncière*.

“ The direct contributions have, ever since they were originally imposed, been from time to time subjected to additional centimes for special purposes of public and private utility, which for several years back amount, without exception in all the departments, to from 45 to 50 centimes at least ; and there are several *Communes* where they amount in consequence of local taxation, authorized by particular enactments, and even by irregular and unlawful impositions laid on by the constituted authorities, to from 70, 80, 100, and even more additional centimes on the original amounts. It belongs to a good administration to equalize the taxation in all the departments, and to substitute to a number of variable and often arbitrary centimes in separate Departments, a fixed and uniform system of additional centimes throughout all of them. The usual additional centimes which were generally and lawfully levied should be preserved, because they have long constituted a part of the ordinary revenues of the State, and because the expenses of the provinces and others to which they are devoted, form items in the general Budget of Expenditure.

“ It is necessary to increase the fund of *nonvaleurs* and *dégrèvements*, which was only two centimes, and to bring it to five, in order to be able to afford in 1815 the necessary relief, and *dégrèvements* to the provinces which might still be suffering from the ravages of war.

“ We propose to fix at 60 the number of additional centimes to be paid into the Treasury, independently of the original tax as a substitute for the variable additions for expenses of the Departments, for *nonvaleurs*, for the *Cadastre*, and for works of every description. The charges of collecting will have to be laid on besides, as well as the usual five centimes for the communal expenses which are not paid into the Treasury.

“ The annexed statement, No. 10, details the additional centimes laid on in 1814, compared with those which we intend to levy in 1815 ; it presents a reduction of 24, 63, and in some instances of 100 centimes, according to the nature of the contributions, and an actual diminution of 80,000,000 francs of taxation. This relief is considerable : your Majesty would have wished that it had been more, but you are acquainted with the nature and extent of the expenses for which they are required ; and that the direct contributions, the manner of levying which has been brought to a high degree of perfection, have been collected even during the most unfortunate times, with the greatest regularity ; a sure sign of a tax being in conformity with the habits and the means of the payers. We have no complaints to apprehend after such a reduction, particularly when taking place in the second year after the peace, when all descriptions of property and all produce will improve in value, and when a freer circulation and more extended trade shall have increased the means wherewith the taxes are to be paid. Your Majesty may rest assured that the direct contributions, as we propose them, will be collected without difficulty, and that your people will duly appreciate the relief granted to them.

“ But it is essential to interdict all arbitrary and illegal taxation, sources of abuses, and vexatious proceedings ; none of the additional centimes previously

laid on must be retained, and no new ones in future be raised without giving an account thereof to the Chamber of Deputies, and additional relief will result to a great number of Departments and Communes.

“ The project of the general Budget for the year 1815 is composed of the annexed statements, No. 8 & 9, which we propose to annex to the 1st section of the law project, under the letters C & D.

PUBLIC DEBT, and other Annual Expenses at the charge of the Minister of Finance.

“ We have subjoined to the particular Budget of the Ministry of Finances, an account of the administrative charges it includes. We shall only observe that this Budget comprises the expenses of the *Cadastre*, those of the management of the direct contributions, and the fund of the *nonvalours*; which three objects form one half of the particular Budget of Finances; the other half contains the administrative expenses of the Court of Accounts; of the ministry, and of the administrations depending upon it.

“ We must acquaint your Majesty with the state of the principal and interest of the PUBLIC DEBT, of the interests on the sums deposited as securities, and the charges of negotiation. Disbursements of general interest, and which, though included in the expenditure of the Financial department, are distinct chapters of the General Budget of the State.

The total *arrérages* (interest) of the funded debt was

fixed by the law of 20 March, 1813, at francs 151,000,000

“ The annual charge of the debt for the Eighty Six Departments of France, at present as per following statement:

In Five per cent. Consolidated Inscribed,

(account No. 11) francs 63,300,000

Life Annuities on the 1st of April.. 14,330,000

Pensions of all kinds, deducting foreign

pensions (account No. 12) 20,370,000

francs 98,000,000

The credit demanded for the year 1814 is..... 120,000,000

The surplus of the demand will have to be accounted

for, being 22,000,000

The interest of the public debt is payable in the three months which follow the end of each quarter as stated below :

In the first quarter, life annuities and pensions due 22 Dec.. francs 17,350,000

.... second 5 per cent. Consolidated 22 Mar.. 31,650,000

.... third life annuities and pensions...22 June. 17,350,000

.... fourth 5 per cent. Consolidated 22 Sept.. 31,650,000

Total francs 98,000,000

"The payments should have been made at these dates, and during those intervals in the year 1813; but they have been sensibly relaxed during the last half year. The half-yearly dividend due on the 5 per cent. consolidated annuities due on the 22d of September, the payment of which should have been finished on the 1st of January 1814, remained nearly wholly unpaid, and several sums were owing for former dividends: the amount of arrears has increased in the first quarter of 1814. The annexed statement, No. 13, presents a detailed account of the payments on each part of the funded debt on the 1st of April 1814.

"The total amount of public debt over due on 1st April was f. 53,413,000, namely, for the year 1814 f. 17,595,000
1813 and before ... 35,818,000

"The amount due in 1814 is comprised in the Budget of that year, that of 1813 and before is not wholly claimable; it includes sums placed to the credit of deceased annuitants or pensionaries before the account of their deaths was received at the Treasury; but the amount of dividends due on the 5 per cent. annuities is a positive arrear of debt which did not exist at the commencement of 1813, and is above 22,500,000 francs.

"It is your Majesty's intention that the payment of the public debt and pensions shall be resumed and brought up during the year 1814; it is necessary to grant by the Budget, for the amount of claimable arrears in 1814, a sum of at least f. 10,000,000

There must, besides, be added for the Rentes granted to the

Communes in exchange for their property (by estimate) 3,000,000

and for half-yearly payments falling due in 1814, as detailed

above 98,000,000

The vote of credit for the public debt, is upon these estimates

brought in the Budget of 1814 at the sum of f. 120,000,000

and in the Budget of 1815 at the sum of 100,000,000

"The interest on money deposited as security amounts annually to about 8,000,000 francs; there remained due on the 1st of April 6,056,000 francs on account of interest for 1813 and previous years; your Majesty has commanded that these payments should be continued. A credit of 6,000,000 francs is necessary for the payments to be made on account thereof. We have included it in the Budget of 1814.

"The amount required for charges of negotiation can not be estimated by the precedents or accounts of former years, as existing circumstances have no affinity with those which have preceded them. We shall only remark, that on the first quarter they amounted to at least 4,500,000 francs. The vote of credit demanded for the charges of the three last quarters will therefore only be 7,500,000 francs: an account of which will be given in 1815.

Recapitulation of the Expenses at the charge of the Finance Department.

Budget of the Ministry	francs 23,020,000
Public debt { Due since 1813 19,000,000 for 1814..... 98,000,000 for the Communes 3,000,000 }	... 120,000,000
Interest on money deposited as securities	8,000,000
Charges of negotiation	12,000,000
Total for the year 1814	francs 163,020,000
Deduct the part over due	19,000,000
Amount of a common year, required for 1815..	<u>francs 142,000,000*</u>

Arrears of Debt at the Charge of the Ministry of Finance.

"We must now present to your Majesty a particular account of the arrears of debt at the charge of the Finance department. This department has a very small number of administrative expenses, but as regards the management of the revenue, and as the depository of public and private funds, the arrears of the finances are immense; they exceed those of all the other departments of the administration put together. We hasten however to add that the greatest part is not claimable.

"If the Ministry of Finance only had to collect the proceeds of the receipts stated in the Budget for the payments of the expenses equally brought forward on the Budget, its duty would have been simple and easy, and no deficiency could have arisen without malversations. But the revenue came in slowly, and expenses were urgent; they had to be provided for without delay, and before the funds assigned to them were come in: the necessity of anticipations introduced them ever since the commencement of each service, and they extended soon to all the funds within the grasp of that ministry, and shortly absorbed the amount of deposits, and even of future receipts, by the emission of Bills.†

* The amount is thus stated in the original document, but should, it appears, have been 144,090,000 francs.—EDITOR.

† The state of the services of 1813 & 14, on the 1st of April, are two striking instances of these anticipations.

We have seen that the receipts for the service of 1813 only were - -	francs 871,418,000
yet there had been paid - - - - -	975,454,000
The payments thus exceeded the receipts by - - - - -	104,036,000
On account of the service of 1814, the receipts were only - -	77,072,000
and the payments - - - - -	152,881,000
Excess of payments over the receipts - - - - -	francs 75,809,000

The payments are constant, and an anticipation of 180,000,000 francs accruing in the course of 15 months to the previous anticipations, could only have been made out of the funds deposited in the Treasury, in the *Caisse de Service*, and in the Sinking Fund; and by the issue of Treasury Bills.

"The deficiencies of the Ministry of Finance on the 1st of April, arise from deposits misapplied, bills issued, and dividends of the public debt due, remaining unpaid.

"The Ministry of Finance, as depositary of the public monies, was divided into three chief and central chests, or funds.

"The Treasury, properly so called.

"The *Caisse de Service*, depending upon the Treasury, and

"The Sinking Fund, independent of the Treasury.

"These funds had accounts with each other, on which debits and credits were respectively entered: the manner of regulating these accounts is not without importance, and will be alluded to, but it is only of a secondary interest, as it does not affect the general state of things. These funds must be considered as united, abstractedly from their respective situations, to be able to connect the aggregate of the total amount of debts in arrear of the Finance Department.

"For the same reasons, it is necessary to take no notice of *effets des comptes*, deposited in these chests, and which only acquired a real value by being paid away or negotiated. All these vouchers and interior accounts are only of fictitious value, having no influence upon the general account which occupies our attention. We shall successively treat under general heads, and separately, from all details foreign to the general situation.

1. Of the arrears of debt of the Treasury, considered only as a fund.

2. Of those of the *Caisse de Service*.

3. Of those of the Sinking Fund.

"We shall in the first place point out the debts owing by each of those funds, forming the general arrears of the finances.

"We shall next seek what vouchers and means remain of the ruins of these funds towards the diminution and extinction of the arrears. This account will not differ materially from the first statements communicated to the Chambers, by the Minister of the Interior; but the details have been examined with care, and we have suppressed all items of regularisation and compensation. The results which follow will be more accurate. We shall particularly distinguish the amounts whereof the principal is due, and those on which it will only be necessary to pay the interests annually.

Public Treasury.

"The Public Treasury, has ever since the institution of the *Caisse de Service*, (July 1806) been almost an entire stranger to the circulation of funds, to deposits, and to the issue of Bills; however, in conformity with the decrees of the year 11 (1802), it has continued to issue Notes payable at 10 and 25 days after sight, called *Traites du Caissier général* (Drafts of the general Cassier) of which there were in circulation on the 1st of April

to the amount of francs 8,873,000

These Drafts have always been regularly paid. The

Treasury has since continued to issue them : those in circulation, at present, amount to a similar sum to those in circulation on the 1st of April ; they will on that account be brought in the amount of arrears not claimable.

The extraordinary Domain, lent the Treasury in 1806 and 1807, a capital of ...francs 84,000,000

And advances have been made, and sums paid in by the extraordinary Domains and by the Treasury of the Crown, for the expenses of the Wars and of the Imperial guard to the amount of 31,261,000

... 115,261,000

No part of the above Debt can be considered as claimable francs 124,134,000

Caisse de Service.

The *Caisse de Service* was indebted on the 1st of April, for Bills issued and not paid, as follows :

<i>Billets de Service</i>	francs 572,000	
Drafts on the Receivers General....	15,000,000	
Acceptances and Notes to be paid ..	8,810,000	
Engagements to the order of the		
<i>Mont de piété</i>	4,400,000	
		francs 28,782,000

Part of the above engagements having since been paid, the operations which had given rise to them will not be renewed : they must be classed amongst the claimable debts.

The Bank of France had lent to the *Caisse de Service* prior to the 1st of April, the sum of “ 54,000,000

This Loan forms part of the claimable debts.

The *Extraordinary Domain* has advanced to the *Caisse de Service* against the security of the obligations of the *Droits réunis* “ 12,580,000

The deposits in the *Caisse de Service* on the 1st of April were :

Free funds of the Communes, deposited by virtue of a decree of 27th February, 1811.. francs 10,800,000

Funds belonging to the Departments, deposited in the chests of the Receivers General, and by them transmitted to the *Caisse de Service* 12,000,000

Sundry other sums transmitted by the Receivers General 15,000,000 [*car. form.*]

Funds belonging to the Marine

Invalid chest and other funds	5,200,000	francs 43,000,000
-------------------------------------	-----------	-------------------

The repayments of the deposits made have been faithfully continued, although they had been diverted; this punctuality, by restoring confidence, has diminished the applications for repayments, and has procured fresh deposits. One third of that sum must be considered as liable to be claimed francs 138,362,000

The *Caisse de Service*, as all other public chests, was nearly exhausted on the 1st of April; rejecting all fictitious vouchers, and irrecoverable effects, there scarcely remained in actual money and debts due, a sum of... 5,782,000

The arrears of debt due by the *Caisse de Service* must be brought in the arrears of the Finance Department, at francs 132,580,000
 namely— Debt not reimbursable, francs 12,580,000
 “ “ not claimable.... “ 28,000,000
 “ “ claimable.... “ 92,000,000

Sinking Fund.

“ The Sinking Fund was established for the reduction of the National debt; it has only tended to increase it. This fund had received several rich dotations by various laws, which have nearly all remained unexecuted. It was made the depository of the securities which were to have concurred in the extinction of the public debt; the judicial *consignations* and several private deposits were confided to it, under condition of restitution. All of which funds have sometime since been applied to the expenses of the State, by order of the head of the government; they have been replaced by public securities, cessions of domains, and other fictitious appropriations, without the means of realization; so that with an apparent amount of assets in the sum of 549,000,000 francs, the Sinking Fund only retains a few effects of real value, the miserable remains of the large sums assigned to it by the laws, and of those of which it had been constituted the depository.

The funds deposited with the Sinking Fund are—

The securities of persons filling responsible situations under Government;—they amounted on the 1st of April, in Capital, to francs 106,934,000

The Interest of 1813 remaining due on the 1st of April “ 6,056,000
 francs 202,990,000

The Sinking Fund has only received of these securities “ 75,972,000

Of the rest was paid into and re-
mained in the Treasury..... francs 88,075,000

And to the Administration of the
Droits réunis “ 32,287,000
francs 196,934,000

“ The Sinking Fund granted inscriptions for all the securities ; and was the ostensible debtor of the proprietors, whatever amount thereof might have been received by it ; this is one of the reasons which renders it necessary to consider the funds as united into one, and their debts together, forming the general and common arrears of the Ministry of Finance.

“ The securities are only reimbursable in the event of the death or the resignation of the parties who have made them : but the situations do not continue vacated ; the security of the successor immediately replaces the amount claimed. This debt is in its nature not claimable, and we may presume that the new securities in 1814 will suffice for the repayment of the old ones.

“ The interests are payable yearly. I have brought in the Budget of 1814, a sum of 6,000,000 francs, for the interests remaining due of 1813.

The *Consignations judiciaires* deposited in the chest of
the Sinking Fund amount to francs 11,814,000

We may calculate that the new *Consignations* will suffice for the reimbursement of those which may be claimed. The other deposited funds are,

Of the Company of Canals francs 1,125,000

“ the Legion of Honor “ 1,623,000

“ the *Retraites* “ 663,000

“ the *Charité Maternelle* “ 111,000

“ Military Successions..... “ 558,000

Communal Funds—

By Judicial *arrêt* 170,000

At Interest 1,397,000

Rents of the Communal Woods 1,711,000

3,278,000

francs 7,358,000

The repayment of these amounts have been uninterrupted ; it is to be hoped that they will be nearly compensated by new deposits : a third part at most is claimable.

The Sinking Fund therefore owes, for sums received in deposit, and without including the outstanding *Bons*, for

Securities, principal, and interest, francs 202,990,000

Consignations judiciaires “ 11,814,000

Divers deposits “ 7,358,000

francs 222,162,000

The notes issued by the Sinking Fund are known by the name of *Bons de la Caisse d'Amortissement* ;

Of which were circulated by virtue of several laws
and decrees to the amount of..... francs 444,232,420
Of this sum has been paid..... francs 204,812,420
And come in and cancelled before
becoming due “ 33,147,000
francs 237,959,420

There remained outstanding on the 1st of April, from
which must be deducted, for *Bons* not issued and re-
maining in deposit—

In the general chest of the Treasury, francs 6,720,000
In the *Caisse de Service*... .. “ 33,441,000
In the chests of the Receivers General “ 10,000,000
In the chest of the Sinking Fund .. “ 644,000
In the Bank “ 15,909,000
francs 66,714,000

remains out “ 139,559,000

Of which were held by the Treasury of the Crown and
the Extraordinary Domain, for “ 116,333,500

The *Bons* of the Sinking Fund in circulation and to
be reimbursed, amounting therefore to “ 23,225,500

Which sum is a claimable arrear of debt in proportion
as the *Bons* fall due, namely, in 1814—francs 15,225,000
in 1815— “ 8,000,000

The total amount of debts of the Sinking Fund appears thus to be as follows :

Debts not reimbursable owing to Extraordinary Domain fr. 116,333,500
Debts which cannot be claimed (funds deposited and
securities) “ 209,662,000
Interests on Securities brought in the
Budget of 1814 6,000,000
Funds deposited to be reimbursed 6,500,000
Remainder of *Bons* in circulation *..... 23,225,000
“ 35,725,000

Sum Total..... francs 361,720,500

The assets of the Sinking Fund are nearly equal to its debts ; but these
assets are, almost entirely, composed of debts of the Treasury and Domains
for Sale—a few effects and other debts may and have already been em-
ployed to diminish the claims upon the Sinking Fund. These effects were
on the 1st of April as follows—

Remittances and balances of account of the
Receivers General 1,231,000
Advances made to sundry Communes... 1,000,000

* There is a difference of 500 francs between this amount and the amount stated above,
in the official document.—EDITOR.

Advances for economical Soups on 1811, on an amount of 5,590,000 francs (estimated proceeds)	2,560,000
700 Shares of the Bank of France	700,000
60 Shares in the Salt works of <i>L'Est</i>	317,000
Miscellaneous effects and debts	752,000
	francs 6,600,000

“ The claims of the Sinking Fund upon the Treasury amount to more than 200,000,000 francs. They are included in the general arrears of finance, and cannot be considered as recoverable.

“ The nominal value of the Estates called *national*, and of the *Décomptes* ceded and delegated to the Sinking Fund, amounts to 120,000,000 francs, without including the property of the Communes ; but their proceeds would fall very short of that sum. These domains were ceded to the Sinking Fund in exchange for the *Bons* it was held to issue, and in payment of monies due by the Treasury.

On the 1st of April there remained to be sold or recovered on those Domains,	
On property situated in Holland & Germany	77,115,000
On property previously ceded	22,065,000
On the <i>Décomptes</i> of the purchasers of Domains	30,721,000
	francs 129,901,000

“ The property situated out of the kingdom is lost to the Sinking Fund. They are employed in making out the accounts of the sums recoverable on the property remaining disengaged in France; they cannot be estimated at more than francs 10,000,000

The law of the 20th of March, 1813, ordered that all the Communal Estates which were not common property, should be ceded to and sold on account of the Sinking Fund. The value of these estates was estimated, in conformity with the practice of exaggerating all the resources, at.... francs 370,000,000

The amount was assigned in supplementary credits—

For the service of the year 1811	fr. 46,000,000
..... 1812	“ 77,500,000
..... 1813	“ 149,000,000
and thus remaining to be assigned ..	“ 97,500,000
	francs 370,000,000

The last financial account of 1812 reduces this amount to francs 164,000,000

and thus admits its having been over-rated at more than half—namely “ 206,000,000

On the 1st of April the situation was as follows—

Estates had been taken possession of to the amount of	“ 169,324,975
Deducting the Communal Estates in Belgium and the four departments of the Rhine.....	“ 44,983,975

There remained in the kingdom an amount of .. “ 124,341,000

The sales effected in the eighty-six Depart- ments, amounted to	francs 64,179,330
of which the tax price was *	francs 55,891,370
On these sales had been recovered before the 1st of April	22,351,316
There remains to be received	on the sales made... 41,828,014 on the sales to be brought forward 68,449,630 and a total of francs 110,277,644
The <i>Bons</i> in circulation of the Sinking Fund, are	23,225,000
There only remains, therefore, on the Communal Estates	87,052,644

“ This is a certain resource, but which can only be recovered in three years.

“ We have included the *Bons* of the Sinking Fund amongst the claimable arrears of debt, without changing the condition which renders them admissible in payment of Communal Estates: we propose to alienate these estates to the payment of the arrears.

“ The Sinking Fund held also on the 1st of April, 5 per cent. Consolidated Rentes, to the amount of 3,604,665 francs per annum. This annuity presents no means wherewith to pay any of the debts: but the dividends will contribute to the payment of the expenses of the establishment of the sinking fund.

“ We do not at this moment make out the general balance of the Sinking Fund; it will be given in the usual form. We only wished to offer a detailed abstract of the same, in order to separate the actual debts which must be provided for, from the mass of nominal assets and fictitious accounts on the one part, and from the actual and convertible assets on the other.

Recapitulation of the total amount of Arrears of Debt of the Ministry of Finance.

“ The annexed Statement, No. 14, shews the detail of the total arrears of debt of the Financial Department. We recapitulate here their principal results.

The arrears proceed,

From the public Treasury	frs. 124,134,000
.... the Caisse de Service.....	138,362,000
.... the Sinking Fund.....	361,720,500
.... Interests on the Public Debt	40,000,000
	francs 664,216,500

* Taxed at - - - - francs 55,891,370

Proceeds of sales - - - - 64,179,330

Profit on sales - - - - 8,287,960

These arrears are classed as follows :

Unclaimable	{ not reimbursable	244,174,500	
	{ bearing interest	246,535,000	
Claimable—			francs 490,709,500
	Balanced by convertible assets	12,282,000	
	Comprised in the Budgets of 1814	46,000,000	
	To be provided for	115,225,000	
			 173,507,000
Together, as above		664,216,500	

Arrears of Debt of the Ministerial Department.

“ One of the first duties of Ministers, in forming their Budgets, and in the administration of their departments, is to calculate the wants of their respective services, and to regulate their fulfilment, so as not to exceed the amounts appropriated by the general Budget for the credit of each ministry. It is always easy to conform the payments to the annual or monthly amount of credits: but the important and difficult point, is not to exceed in the actual expenses, paid or unpaid, the respective votes of credit; since the debts are composed of, and increase every day, by the expenses incurred and not paid. When the Budget of receipts has been made without exaggerations, and the revenue is easily collected; the credits voted to Ministers are realised with punctuality; but when they are over-rated, or when the expenditure exceeds the estimates of the Budget, the insufficiency of receipts on the one hand, and the increased charges beyond the means of payment on the other, form deficiencies which can only be made good by the creation of supplementary receipts, and of extraordinary resources.

“ These two causes of deficiency have co-operated, and during latter periods have acted with increasing intensity. We have pointed out the exaggerations in the estimate of the receipts of the late Budgets, and the arrears they have occasioned. It is for each Minister to make known the debts of his particular department, or the expenses incurred and remaining unpaid at the periods anterior to the 1st of April. We must confine ourselves to collect their statements and exhibit their result; we have however to state, that when Ministers formerly presented estimates as correct as it was possible to make them upon uncertain grounds, they were arbitrarily reduced, for no other reason than to conceal the real amount of expenditure, and to establish in the general Budget the appearance of sufficiency, which time never failed to destroy. And it most frequently happened that in reducing the Budgets of Ministers, no diminution was made in the amount of the services to be provided for; but these were on the contrary considerably augmented by new levies of men and horses, without granting any increase of credit proportioned to such additional expense.

“ It is thus that a considerable deficiency has originated in every department of the Administration; the pressure of which constantly increasing and

always present, had a most prejudicial influence upon the conclusion and fulfilment of all bargains. In order to delay as much as possible the payment of balances, they were subjected to protracted and rigorous forms of liquidation ; and when at length admitted, supplementary credits were from period to period granted to Ministers, of insufficient amount, or consisting of public securities issued without discretion by a government enjoying no degree of credit, and which, left without care or attention to the chance of events, experienced mostly heavy losses.

“ Ministers have been employed in ascertaining the deficiencies in their departments ; namely, the expenses incurred, and supplies furnished before the 1st of April, which remain unpaid. The amount has not yet been determined with absolute certainty ; which can excite no surprise, when the vast extent of territory subject to French administration, the interruption of communications, the absence of a number of administrators, whose accounts have not been delivered, the impossibility of collecting, examining, judging, in a short space of time, the multitude of accounts and claims coming in from all parts, and the necessity of tracing them through several years back, (a work never yet ordered or undertaken) are taken into consideration ; the late government, instead of seeking to know the situation of the arrears due, avoided and rejected whatever was calculated to impress it, with the necessity of moderating its expenses, or providing for their payment.

“ We have therefore the mortification not to be enabled yet to present any thing to your Majesty but statements more or less uncertain, collected through each department of the Administration. The deficiency bears principally upon the year 1813, and the first quarter of 1814. The accounts delivered by Ministers, and which are rather to be considered as estimates than as definitive accounts, indicate the following deficiencies of 1813 and before, including the disbursements remaining to be made on the special funds.

Chancery of France	francs	5,024,000
Foreign affairs		2,431,000
Interior and Public Worship		49,000,000
War, known to amount to 261,000,000 fr. brought at..		300,000,000
Navy		<u>55,879,000</u>

The amount of deficiencies on the service of 1813 and before, may thus be provisionally estimated, till the final results of their liquidation be made known, at the sum of

To which must be added for the first three months of	
1814, (Statement No. 7.)	
Interior and Worship	20,000,000
War Department	187,606,000
Navy	24,000,000
	<u> </u>
	 231,606,000

The total amount of arrears therefore, comprising the special funds, appears to be (Statement No. 15) francs 643,940,000
 Which sum must be augmented by the arrears of the Finance Department (Statement No. 14) amounting to 664,216,500
 Making the grand total of deficiency francs 1,308,156,500

This sum will form the basis of our calculations, and of the measures we are about to propose.

Means of providing for the arrears of Debt.

"Hitherto we have only been employed in ascertaining the extent of arrears of debt incurred by the late government.

It has been proved that the sums expended by that government, beyond the natural and legal resources of the Budgets, amounts to ..francs 1,308,156,500

We must now look for, and propose the means, of meeting this enormous deficiency, which, fortunately, is not wholly or immediately reimbursable, as appears by the statements, No. 14 & 15; we shall recall the results.

The sums due to the extraordinary Domain and to the Crown Treasury, are extinguished by disorder, and are not reimbursable..... 244,174,500

There only therefore remained due to the creditors of the different departments and of the finances 1,063,982,000

We need not now consider about the re-payment of the securities, and that part of the deposited funds, which are not claimable: it suffices for the present that the payment of the interests be secured and punctually made; they will be comprised in the Budget of each year, under the head of interest of securities and of charges of negotiation. We may therefore deduct for the arrears not claimable 246,435,000

The balance is due to creditors of the Administration; it forms the claimable amount of arrears, and it is necessary to insure its payment 817,447,000
 The effects remaining on hand on the 1st of April, were 12,282,000

There remained to be provided for the payment of... 805,165,000
 The overdue amount of interest on the public debt, and on securities of 1813, being considered of the most urgent nature, were included in the Budget of 1814, for..... 45,000,000

There remains therefore to provide for the payment of. 759,165,000

“ The Treasury will only be called upon to provide for this sum in the course of two or three years, on account of the unavoidable delays which the examination and justification of the claims will require; but even this delay will not suffice to discharge it, in addition to the current expenses of the year, without extraordinary resources.

“ It would be imposing upon your Majesty, deceiving the creditors of the State by false expectations, and creating discredit instead of inspiring confidence, were we to hold out the expectation of the possibility by ordinary means of discharging in two or three years these arrears of debt. Your intention, Sire, and justice demand that the whole should be paid; but the completion of such payment requires time and extraordinary means.

“ Taxation cannot be increased, nor the receipts be raised above the amounts stated in the Budgets of 1814 and 1815, which we have presented. The expenses fixed by your Majesty, with rigorous economy are not susceptible of farther reductions. We have sought in vain in the former budgets; and it has been proved that they present no hopes of any further recoveries. The effects in the coffers of the Ministry of Finance, only amounted to insignificant sums, of which we have indicated the employment. And lastly, the receipts of the budget of 1814, are below the expenses of that year, which increases the arrear instead of contributing to its extinction. The budget of receipts of 1815 presents an excess of receipts of 70,300,000 francs, which must contribute to the payment of the arrear.

“ The Communal and other Estates, ceded to the Sinking Fund, offer a resource calculated to concur in the payment of the arrears of debt; but these means are insufficient, and an extraordinary resource is absolutely necessary. If your Majesty only considered the convenience of your own finances, without any regard for the rights and accommodation of the creditors, you might demand a credit of 40,000,000 francs Rentes, for the inscription of the arrears of debt, and oblige the creditors to content themselves with such a mode of payment. This increase would only bring the five per cents. to about 106,000,000 francs of Rentes, an amount of debt much inferior to what existed formerly, and which is not beyond the resources of the kingdom. This mode of payment may suit many of the creditors; and may be offered them.

“ But your Majesty does not wish the creditors of the state to be subject to any reduction or restraint: you will only offer the inscription of the claims in the great book, as an optional payment on the part of the creditors, and by no means as a compulsory one; you have enjoined us to propose measures which may secure to all the creditors their reimbursement in full.

“ The resource which appears to us the most certain and easy of execution, is the sale of a small portion of forest lands. But we cannot conceal that objections may be made to such sales, and the inconvenience they might give rise to; but they are not of so serious a nature, as to counterbalance those which would follow the neglect of paying the creditors of the State, or any augmentation of taxes, which we deem impracticable. We must however

make our election between some of the measures. This simple observation, deters us from eliciting, by other motives which would only be of a secondary nature, the advantages of what we suggest.

“ We ask to be authorised to put up for sale, three hundred thousand hectares of wood, the proceeds of which shall be exclusively reserved and appropriated to the discharge of the arrears of debt: it might even be possible to make a loan on this security which would accelerate its realization to the Treasury, and hasten their extinction. We also propose to devote to the payment of the claimable debt, the proceeds of the sale of communal estates, and others belonging to the Sinking Fund. The surplus receipts of 1815; and a credit in five per cent. consolidated Rentes, sufficient to satisfy such of the creditors who might prefer that mode of payment.

“ With these resources, your Majesty may, without fear, assert that the arrears of the expenses of the administration previous to the 1st of April, are secured, and will be paid in full with interest. If towards the end of 1815, when the arrears shall be completely liquidated, a supplementary vote of credit should be found necessary, which is not to be apprehended, it might easily be provided, either upon the ordinary receipts of 1816 and 1817, or by new extraordinary resources.

“ The entire discharge of the debts of the State, being thus secured, it remains to determine the manner of liquidation and the periods of payment. It is far from our thoughts, Sire, to propose to you to institute Committees and extraordinary forms of liquidation: the usual measures, applied with discernment and strictness, will suffice to prevent all errors and frauds. The Ministers intrusted with your Majesty's confidence for regulating and paying the expenses of the current year, are also the best judges of what is due on former expenditures. Their operations, guaranteed by the responsibility attached to their offices, present better securities than Committees acting without any. It is besides inexpedient to postpone this liquidation indefinitely; it is on the contrary, necessary to hasten in discharging the administration of this inconvenient load, which only embarrasses their proceedings and injures their credit. It is not by making them indifferent to what is due, that such an advantage is obtainable; and still less by increasing the fears and the doubts of the creditors, in subjecting them to a species of indefinite adjournment. A prompt liquidation made by responsible Ministers, and certain payment, are the surest means of procuring to the branches of the administration that degree of credit necessary for their service, and for the economy of their expenses.

“ In proportion as the claims are admitted and liquidated, they should be disposed of, and ceasing to form part of the debts of any particular branch of the administration, be transferred to the Ministry of Finance, at whose disposal the law will have placed the means of providing for them. The ordonnances of the Ministers for the arrears should therefore be immediately exchangeable against obligations of the Royal Treasury, due at successive periods.

“ The economy commanded by your Majesty, and the realization of the

extraordinary resources applicable to the payment of the outstanding debts, cannot be immediate: nothing should be neglected to accelerate them; but they require unavoidable delays which it is impossible with all our care to prevent. These delays will be less prejudicial to the creditors than a state of uncertainty. It is necessary, even for their own interest, that the fulfilment of the engagements, the Treasury will enter into with them, should be placed beyond a doubt; this cannot be the case unless these engagements be graduated according to the successive and certain realization of the means apportioned to their discharge. In order to place our promises beyond the possibility of doubt, a delay of three years appears necessary. We ask to be authorised to issue obligations of the Royal Treasury, payable in three years after date, and to give them in exchange for the ordonnances of the Ministers.

“ However, in order to render this delay more easy and less expensive to the creditors, we propose to annex to these obligations, by way of indemnity, a premium, or annual interest fixed at Eight per Cent. per annum. This rate appears high; but it is equivalent to that paid by the public funds. It would be wrong to seek any other measure of indemnifying the creditor to whom we are obliged to assign a different period of payment to that which arises from the other engagements of the State. This high rate of interest is necessary to maintain the credit of the obligations of the Royal Treasury, and to prevent the creditors from experiencing any loss. Whilst the Bonds remain under par, the interest of eight per cent. will be but an insufficient indemnification to the creditors. If they should rise to or exceed par, such a fortunate result and all the advantages which such a state of credit would procure, would not be dearly purchased at the cost of two per cent. above the ordinary rate of interest: we do not hesitate to assert that this seeming charge would be a real economy.

“ In asking for a delay of three years, we have a well founded hope of being able to anticipate that period, which we have only fixed as the latest possible term of our engagements; and in proposing to allow eight per cent. interest we expect only to have to pay it for a short time: as we shall constantly endeavour to diminish this heavy charge. Part of the sums appropriated to the payment of these debts will be in cash before the obligations fall due. These anticipated receipts, must as they come in, be faithfully employed, conformably to their destination, to cancel the obligations, in the most advantageous manner. We propose to that effect to purchase them in the market, as the most efficacious way of bringing them to par, and as being also most advantageous to the holders; whereas a partial payment would only benefit a small number of individuals without having any influence upon the others; whilst purchases at the market price at the same time that they would relieve the treasury more rapidly and to the greatest advantage in proportion to the low prices of the bonds, would also have a favorable influence upon the price, and thereby benefit the holders of all the remaining obligations equally.

“ The effect of such an operation is certain ; it may be speedy and bring the value of the treasury obligations above par. But they should not be suffered to exceed it, since when the effects given in payment are at par, the creditor of the state is paid in full, though the treasury may not yet have disbursed the amount ; and the state cannot be held to pay more than the full amount when due, either to the creditor who has waited, or to the capitalist who has placed himself between the state and the former. As soon therefore, as by successive purchases the obligations shall have risen to par, the natural order of reimbursement must be resumed, and holders be required to receive payments in anticipation, unless they prefer to submit to a reduction in the rate of interest.

“ It is here necessary to remark that, under the least favorable circumstances, the high rate of interest will be covered by the profits on the purchases, so that at all events it will be advantageous to the holders, without loss to the treasury. And it is thus that, by a combined and optional system of payment in full, by instalments, inscriptions on the great book, or anticipations by purchase, we have sought to accommodate the interests of the creditors, to those of Government. We were desirous of giving all the creditors, to the very last, the option, according to their means and convenience, of determining their situation at once by accepting inscriptions on the great book, or the certainty of a payment in full by waiting, either for the period of reimbursement, or for that at which the obligations shall have risen to par.

“ Lastly, in the most unfavourable situation, we have endeavoured to secure to those who could not wait at all, the means of receiving payment, without making too great a sacrifice, by enabling them to dispose immediately of their obligations which will be doubly guaranteed by the certainty of the reimbursements or the power of funding them.

“ Your Majesty will be frequently informed of all the operations relating to the liquidation and payment of the arrears of debt, to the emission of Royal Treasury obligations, whether withdrawn by inscriptions, purchase or payments : the publicity given to these proceedings, can only add to the security of the creditors.

“ The completion of the measures we have proposed, and which are the objects of the annexed law project, would be a system of redemption for the extinction of the national debt. But that this redemption may not be a mere illusion, it is necessary that it should be immutably founded upon a constant surplus of revenue, and secured for a great number of years. After the convulsions which we have experienced, and with a considerable arrear of debt, all the revenue and the resources not necessary for the current expenses of the year, are imperiously required for its discharge : as soon as that discharge shall have been carried into effect, we intend to combine these measures with a gradual and secure system of redemption, which we regret not to be able as yet to propose to your Majesty.

"We have now, Sire, presented a melancholy but faithful picture of the situation in which you found the finances of your kingdom on the 1st of April; we have discovered an immense deficiency, numerous and most urgent wants, and for only resource, taxes disturbed in their collection and uncertain in their proceeds; with a people exhausted by all manner of sacrifices, provinces devastated, and every description of property reduced in value by twenty years of war and misfortunes.

"Peace, the first blessing your Majesty has secured to his people, the order and economy which you have restored in the expenditure, will enable us to meet the exigencies of the State, not only without increasing the burdens of the people, but by affording them considerable relief. No deficiencies will arise under the Government of your Majesty.

"But your Majesty has not confined his solicitude to securing the exact payment of all the expenses; you have acknowledged the debts of the late Government; ordered that all the legitimate claims should be entirely discharged; and you are willing to devote to that purpose large extraordinary resources, and even a portion of the revenues of the crown; it is with this view that you have imposed the strictest economy upon your Ministers.

"The consequence of such integrity, but too rare in the history of finances, will we are convinced, be to restore that steady credit and encreasing prosperity which has so long been unknown to France.

"The Ministers and Secretary of State, for the Finances,

"BARON LOUIS."

Here follows the project of Law.

SITUATION OF THE BUDGET OF RECEIPTS ON THE 1st APRIL, 1814.
Decree of 26 November, 1813.

NATURE OF THE RECEIPTS.	Estimate. Law of 20 March, 1813.	Augmentation or Supplementary Means.		Amount Collected on the first of April.	Remains to be Recovered or Novelty.
		REDUCTION.	DECRET of 11 Nov.		
Direct Contributions.					
<i>Contribution foncière</i> , principal	241,884,000				
" On Persons and Moveables ..	37,323,000				
Additional Centimes	22,428,000				
Doors and Windows	19,059,000				
Patentes (Licences)	20,002,000	6,096,000	.....	334,600,000	23,267,000
	340,696,000				
Indirect Contributions, &c.					
Registration and Domains	170,000,000	6,000,000	.....	164,000,000	12,655,000
Forests	36,000,000	.....	.....	36,000,000	33,051,000
Customs, ordinary duties	100,000,000	.....	20,000,000	120,000,000	21,380,000
Duty on Salt	50,000,000	3,000,000	.....	47,000,000	13,456,000
<i>Droits réunis</i>	150,000,000	3,000,000	.....	147,000,000	36,753,000
Tobacco	70,000,000	37,000,000	.....	33,000,000	"
Lottery	15,000,000	1,000,000	.....	14,000,000	3,380,000
Post Office, deducting one Million for a New Building	12,000,000	2,000,000	.....	10,000,000	3,363,000
Salt and Tobacco, beyond the Alps ..	9,000,000	.....	.....	9,000,000	2,867,000
Salt Works, de <i>L'Est</i>	3,000,000	.....	.....	3,000,000	"
Gunpowder and Saltpetre	500,000	500,000	.....	.....	"
Illyria	11,000,000	3,000,000	.....	8,000,000	2,632,000
Miscellaneous and incidentals	3,804,000	.....	96,000	3,900,000	914,000
<i>Recettes Extérieures</i>	30,000,000	10,000,000	.....	20,000,000	"
Prélèvement on the proceeds of Communal Estates	149,000,000	79,540,000	.....	69,460,000	69,460,000
Contributions of the Grand Army .....	.....	.....	2,040,000	2,040,000	"
Extra Contributions at Hamburgh .....	.....	.....	20,000,000	20,000,000	9,605,000
Supplementary Means, Decree of 11 Nov. .	.....	.....	109,000,000	109,000,000	46,529,000
	1,150,000,000	151,136,000	151,136,000	871,418,000	278,582,000

No. 2.—State of the Budget of Expenses 1st April, 1814.

	<i>Budget.</i> Decree of 26 Nov. 1813.	Actual Payment, prior to the 1st of April.	Remains to be paid.
Public Debt	frs. 129,500,000	124,705,647 71	4,794,352 29
Civil List & French } Princes	.. 28,300,000	27,829,999 99	470,000 01
Ministry of Justice	28,364,308	21,227,046 27	7,137,261 73
Foreign relations.....	14,000,000	9,126,666 24	4,873,333 76
Interior	58,440,780	29,230,517 28	29,210,262 72
Manufactures and } Commerce	.. 7,795,776	1,360,372 13	6,535,403 87
Finances.....	20,839,721	14,600,060 70	6,239,660 30
Treasury	10,000,000	7,532,142 40	2,467,857 60
War, pay & matériel..	342,200,000	*357,820,363 91	.....
.... administration ..	331,000,000	250,134,525 51	80,865,474 49
Navy	143,365,850	116,035,635 70	27,330,214 30
Worship.....	16,706,710	14,380,884 12	2,325,825 88
General Police	1,988,234	1,569,935 75	418,298 25
Negotiation charges..	12,000,000	.....	12,000,000 ..
Reserve Fund	5,498,621	.....	5,498,621 ..
Francs	1,150,000,000	975,453,797 71	190,166,566 20

* Excess of expenses 15,620,363 91

Remaining to be paid francs 174,546,202 29

No. 3.—Budget of Receipts for the year 1814, exhibiting the Receipts of the 1st three months of that year, and known on the 1st of July, 1814, on the service of 1814.

	Estimated Receipts of 1814.	Amount received in the first 3 months.	Remaining to be collected for the last 9 months.
Direct contributions	francs 291,266,000	43,740,000	247,526,000
Registration and Domains....	104,715,000	13,832,000	90,883,000
Forests.....	10,000,000	84,000	9,916,000
Customs—Salt duties	25,000,000	6,444,000	18,556,000
Indirect contributions & Tobacco ..	61,500,000	12,139,000	49,361,000
Lottery	4,000,000	784,000	3,216,000
Post Office.....	12,000,000	17,000	11,983,000
Salt Works, <i>de L'Est</i>	1,500,000	.....	1,500,000
Incidental receipts & Excise	6,019,000	32,000	5,987,000
City of Paris Fund	4,000,000	.....	4,000,000
Francs	520,000,000	77,072,000	442,928,000

This Budget is realisable—1st quarter of 1814, amount received.. 77,072,000

2d ditto, by estimate 132,928,000

3d ditto, ditto 150,000,000

4th ditto, ditto 160,000,000

Amount as above francs 520,000,000

[Statement, No. 4, alluded to in the foregoing Report to the King, is a comparison of the first project of the Budget of Receipts for the year 1814, (Decree of 4th January) in which the estimated receipts were taken at 1,245,800,000 francs with the Budget proposed by the King's Ministers, where they are only computed at 520,000,000 as in statement No. 3, occasioning a reduction in the estimates of 725,800,000 francs. The particular items of reductions it is immaterial to relate.

Statement, No. 5, is a detail of the particulars forming the amount of direct contributions, 291,266,000 francs, and is of no manner of importance to our present purpose.

No. 6 & 7, present likewise details corroborative of the Report of the Minister of Finances, but add no information to the general statement of the situation of the Treasury at the accession of Louis the 18th.]

No. 8.—Budget of Receipts of the year 1815.

1. Direct contributions	francs 340,000,000
2. Registration, Domains, and Forests.....	120,000,000
3. Administration of Indirect contributions	130,000,000
4. Miscellaneous receipts, Post-office, Lottery, &c.....	28,000,000
Total.....	618,000,000

Namely,

1. Direct contribution.

On Land	{ principal.....	172,132,000	
	{ 60 additional centimes.....	103,279,000	
			 275,411,000
On Persons & moveables.	{ principal.....	27,289,000	
	{ 60 additional centimes	16,374,000	
			 43,663,000
Doors and Windows	{ principal.....	12,892,000	
	{ additional centimes.....	1,289,000	
			 14,181,000
<i>Patentes</i> (Licenses)	{ principal.....	15,416,000	
	{ additional centimes	771,000	
			 16,187,000
			 349,442,000
Deduct, charges, losses, and <i>nonvaleurs</i>			 9,442,000
Amount stated in the Budget			 340,000,000

2. Registration, Domains, and Forests.

Registration and Domains	108,000,000
Wood	12,000,000
	 120,000,000

3. Administration of indirect contributions.

Customs	20,000,000	
Duty on Salt.....	30,000,000	
Duty on Fermented Liquors & others.	55,000,000	
Tobacco	25,000,000	
		 130,000,000

4. Miscellaneous receipts, Post-office, Lottery, &c..... 28,000,000

Total as above....francs 618,000,000

No. 9.—Budget of Expenses of the year 1815.

Civil List.....francs	25,000,000
Royal Family	8,000,000
Chamber of Peers.....	4,000,000
Chamber of Deputies	3,200,000
Chancery	20,000,000
Foreign Affairs	9,500,000
Interior	85,000,000
War	200,000,000
Marine	51,000,000
General Police	1,000,000
Finance	23,000,000
Public Debt.....	100,000,000
Interest of Securities.....	8,000,000
Charges of negotiation	10,000,000
	<u>Total.. 547,700,000</u>

Excess of receipts intended for the pay-
ment of arrears of debt..... 70,300,000

Amount of the assumed receipts 618,000,000

[No. 10 is a statement explaining the proceeds of the direct contributions for 1815, with the additional centimes, which were estimated to produce a net amount of 340,000,000 francs.]

No. 11.—Expenses at the Charge of the Ministry of Finance.

Statements No. 11, 12, & 13.

PERPETUAL DEBT ON THE 1ST OF APRIL, 1814.

Summary view of the situation of the perpetual Debt, as inscribed at the different periods, with the causes of its increase.

1. Old Public Debt.

The old Debt was estimated to amount, on the 1st of August, 1793, in the constituted debt on the <i>hôtel-de-ville</i> , on the <i>pays d'états</i> , the clergy, &c. at the annual sum of	francs 75,810,000
The floating Debt for effects to bearer, and shares in companies, of which the inscription was ordered....	20,707,000
The Debt to be liquidated for the disbursement of charges.....	<u>31,286,000</u>
Making therefore the total amount of the old perpetual Debt	127,803,000

2. Increase of the Debt from 1793 to the year 8.

Interests of forced loans in Assignats	fr. 8,650,000
Debts of the Communes and of the Departments ordered to be inscribed on the great book	8,000,000
Debts of the Emigrants, reimbursable in Rentes	7,500,000
Conversion of Life Annuities into perpetual Rentes	12,000,000
Payments in inscriptions	<u>10,763,000</u>
	 46,913,000
The original Rentes seem therefore to have amounted to	174,716,000

3. Consolidation of the integral Debt.

The law of the 24th *Frimaire*, year 6, having ordered the reduction of two-thirds of the Public Debt, there ought to have been consolidated a total sum of.....francs 58,716,000

But the inscriptions were received in payment of National Domains; the annuities of the emigrants and of the entailers, were confiscated or cancelled, so that the sums inscribed for the consolidated third of the integral debt, including the exchange of the *bons-deux-tiers*, only amounted to..40,216,000

4. *Debt inscribed for the countries united to France.*

Belgium	(by estimate) ..	4,000,000	
Departments of the left Bank of the			
Rhine.....	(by exact statements)	408,000	
Piedmont	ditto.....	1,090,000	
Liguria	ditto.....	353,000	
Parma and Piacenza	ditto.....	62,000	
Sundries	ditto.....	173,000	
			... 6,086,000

5. *Increase of Debt from the year 8 to 1814.*

For former deficiencies	5,663,000	
Ditto from year 5 to 9.....	4,591,000	
Ditto from the year 10 to		
1809 (law of 20 March,		
1813)	1,000,000	
		frs. 11,254,000 *
To the Sinking Fund, in		
exchange for <i>Bons</i>	5,000,000	
Extraordinary Domains for		
value received	750,000 †	
		.. 5,750,000
		 17,004,000

The total amount of 5 per cents consolidated, forming
the perpetual Debt on the 1st of April, 1814, is †63,306,000

[Statement 12 is an account of Pensions on the 1st of
April, 1814, by which it appears that they amounted toge-
ther to the annual sum of.....francs 43,278,377

From which was to be deducted pensions granted in
foreign countries disunited..... 23,007,207

Making the amount of pensions in old France..... 20,271,170]

[Statement 13, is a detailed account of Dividends, Life
Annuities, and Pensions, payable and remaining unpaid
each year, from the year 13 to 1814, shewing an amount
of unpaid dividends on the public debt generally for 1813,
and previous years of 35,817,985 35
And on 1814..... 17,595,347 83

Together 53,413,333 18]

* Inscriptions in payment of deficiencies, laws of 29 *Ventose*, year 9; 21 *Floral*, 10; 4 *Germinal*, 11; 15 September, 1807, and 15 January, 1810.

† For the current service, laws of 24 April, 1806, 15 January, and decree of 3 February, 1810.

‡ The official statement is 63,300,000.—EDITOR.

From which was deducted for life annuitants and pensioners deceased, or of foreign countries..... frs. 13,413,333 18

Leaving an arrear of debt of 40,000,000 ..

[Statements 14 & 15, exhibit the amounts of the debts due by each Département of the Administration, in corroboration of the Report of the Minister of Finances, and are omitted here, being sufficiently detailed for general purposes in that report.]

Report to the King by COUNTESS CORFETTO, on the state of the French Finances for 1815 and 1816.

“Sire,

“In the month of July, 1814, my predecessor placed the situation of the finances under the eyes of your Majesty, and presented for your approbation the scheme of the Budgets of receipts and expenses for 1814 and 1815. The law of the 23d September following sanctioned, with some amendments, the provisional settlement of those Budgets, and the proposed arrangement for the discharge of the debt in arrear.

“The treaty of Paris, the first of the benefits conferred by your Majesty, had restored peace to France, who after twenty-five years of wars and misfortunes, recovered her tranquillity and maintained her glory; our intercourse with foreign countries was re-established, our home trade reviving, agriculture repairing its losses, all the seeds of public prosperity developing themselves, and full of confidence in futurity, we only recollected our past misfortunes to bless the return of your Majesty, who had so happily stemmed their current.

“An event, for ever to be deplored, has plunged France again into fresh calamities. I will not retrace their melancholy picture to your Majesty: the results I am about to submit to you, and the conclusions to which they will lead, will but too easily prove the fatal influence of that event upon our finances, and the necessity of the sacrifices it obliges us to make. Your Majesty has set us the first noble example of these sacrifices; that example shall not be lost upon your people; in associating yourself with evils which you could not prevent and wish to repair, you have pointed out to all Frenchmen, duties which they will not hesitate in fulfilling.

“The law of the 23d September, 1814, regulated whatever related to previous accounts, and judiciously united all the recoveries remaining to be made from preceding years, to its receipts; since, as well as it shews marks of a proper degree of prudence, to foresee, at the commencement of the estimates, the probability of whatever may be required and point out the means of obtaining it, so it would be equally contrary to the nature of a useful combination to keep accounts open by imaginary attempts at perfection, to indefinite

periods, for the sake of establishing in each of them, a rigorous balance of receipts and expenses which it is impossible to accomplish.

"I shall therefore, in the results and proposals which I am about to submit to your Majesty, only allude to the years 1814, 1815, and 1816. The receipts and expences of 1814 are now positively ascertained; I present their definitive Budgets: proceeding to the still imperfect yet more exact estimate than could in the first instance have been formed of receipts and expenses of 1815, I shall propose a new fixation of the Budget of that year: the very trifling amount of receipts to be still recovered on account of 1814, and the insufficiency of those to be expected from 1815, leave for the services of both years a considerable excess of expenses to be covered. I shall indicate the means of balancing this new deficiency: a view of the resources of 1816, with an *exposé* of the financial measures to provide for the service of that year, and of the means of redemption of the inscribed debt, will complete the account I shall render to your Majesty.

Service of 1814.

"The law of the 23d September, 1814, which I shall have frequent occasion to allude to, because it is the point from whence all my calculations proceed, had provisionally determined the amount of receipts of that year to
francs 520,000,000

And the expenses, part of which was to cover former deficiencies	827,415,000
But in the first Sum was included for the assumed amount of receipts in the first three months	" 77,072,000
And in the second for assumed expenses paid in the same period	152,881,000
thereby reducing the receipts to	442,928,000
and the expenses to	674,534,000
leaving thus an excess of expenditure of	231,606,000

More certain results regulate these estimates now. The receipts of the first 3 months of 1814 (Statement No. 2) are definitively fixed at fr. 59,060,421

And the expenses (Statement No. 3) at " 119,958,821

So that during that quarter more was paid than received by " 60,898,400

"I must on this occasion refer to an observation made by my predecessor, that this excess of expenditure was taken out of the receipts of previous services, out of the special funds, from deposits and other anticipations; that it necessarily forms part of the arrears of debt prior to the 1st of April, 1814, and that it cannot, consequently, have any influence upon the situation of the last nine months of 1814. This account of receipts and expenses of the first quarter was left blank in the Budget provisionally made out for that service; for that reason I recapitulate the results in the one I present.

Receipts.

"The law of the 23d of September, estimated the receipts of the last nine months at francs 442,928,000

The ordinary receipts have exceeded that sum (see Statement No. 2) and have amounted to fr. 460,941,020, including the sum of 13,236,412, arising from receipts made after the 1st of April, on account of 1813, and former years, (Statement No. 1) and which, by virtue of that law, were to be added to the resources of 1814: nevertheless, several proceeds have not yielded what was anticipated in the Budget; but the deficiencies resulting from such diminutions, were nearly balanced by the excess of receipts on other proceeds. shall summarily point them out.

The produce of the selling of wood was valued at ...	francs 10,000,000
There has been recovered	26,698,500

The receipts have thus exceeded the estimate by	16,698,500
--	------------

"At the period of proposing the Budget of 1814, all the purchasers of wood were making claims, and we were occupied in establishing the situation of their accounts, as well as in regulating the indemnifications and discharges to which they might be entitled, in consequence of the losses and damages which the occupation of the territory had occasioned to their works. It was therefore not possible to estimate with any degree of accuracy the recoveries to be expected on proceeds of such a nature: they have surpassed all hopes, notwithstanding the deductions, allowances, and indemnifications, granted to such of the purchasers whose claims have appeared to be well founded.

"I must however add, that this sum of 26,698,500 francs is the gross proceeds of the wood, and that, to reduce it to its net amount, it is necessary to deduct about 6 millions employed in the expenses of the administration of the forests, and appropriated out of the receipts of the registration and Domains.

The proceeds of the Customs and of the duty on Salt	
were valued at	francs 25,000,000
They have yielded	" 48,351,369

Excess of receipts	" 23,351,369
--------------------------	--------------

"This excess is owing to the improvements introduced by your Majesty in the system of the Customs, to the happy modifications in the tariff, and chiefly to the moderate amount of duty on colonial produce, which has increased the consumption and diminished fraud.

"The amount of the rent of the Salt works has been definitively settled for 1814, at 2 millions, having been provisionally estimated at 1,500,000 fr. it presents an increase of 500,000 francs. The miscellaneous receipts have exceeded the original estimates by 557,447 francs; the contingency of those receipts sufficiently justifies this error of calculation.

"On the other hand, various branches of the revenue have remained below the primitive estimate. The direct contributions, valued at 291,266,000

francs, after deducting the contingents of the provinces detached from France, present a diminution of 26,000,000 francs, the whole of which sum remains to be recovered in those provinces which have been twice occupied by foreign armies, and will be absorbed by the allowances to be made them; I do not imagine that more than from 5 to 600,000 francs will be recovered on that amount.

"The produce of the Registration, the Lottery, and the Post Office, present likewise deficiencies, but I repeat that they have been more than compensated by the surplus on the other branches of the revenue, and therefore occasion no deficiency in the general Budget. The extraordinary receipts of the Treasury in 1814, of which I also submit an account, have amounted to 60,690,230 francs, comprising a payment of 2,515,500 francs, on account of the extraordinary Domain, and the extraordinary centimes assessed in 1813 & 14 remaining to be recovered on the 1st of April, 1814. An order in council of the 13th June following, authorised the compensation of these centimes by the *Bons de réquisitions*. This compensation has taken place, and will soon be finished in the departments of the East, North, and South; it has proceeded more slowly in the Middle and Western departments, but is drawing to a close. The sums which have not been absorbed by this mode of liquidation have been paid into the Treasury, producing an increase of receipts of 51,174,730 francs, which, with the above mentioned sum of 60,690,230 added to the ordinary receipts, being..... fr. 460,941,020

And the excess of receipts over the payments on account of the arrears of debt (Statement No. 11).. " 12,084,690

Make a total (see Statement No. 4) of " 533,715,940

At which I propose to fix definitively the Budget of Receipts of the last nine months of 1814.

Expenses.

"I have stated that in the Budget regulated by the law of the 23d September the expenses of the last nine months were fixed at... francs 674,534,000

Namely—on the proceeds of the last nine months
(equal to the assumed receipts)..... " 442,928,000

And on the vote of credit for the arrear of debt " 231,606,000

Together.... 674,534,000

"This vote of credit was intended to cover the expected deficiency of the year, occasioned by the excess of expenses in the first quarter of 1814; and in fact by the principle of that law all payments remaining to be made for amounts due before the first of April, were to be effected out of this vote of credit; but this regulation could not be carried into effect before the end of 1814; hence it has followed that the treasury has paid, together with the expenses of the last nine months, a large proportion of what was due on

account of the first quarter. These first calculations must therefore be entirely abandoned, not agreeing with the fact, and it is necessary to reconstruct, upon a new basis, the Budget of Expenses of the last three quarters. The statement, No. 5. shews its true situation, from which it follows that there has been paid since the 1st of April, 1814, 57,423,592 francs, belonging to the first quarter, which should have been paid out of the sums appropriated to those arrears, had they not been made before the period referred to by the law of the 23d September; these..... 57,423,592

added to what is required for the last

nine months..... 498,859,844

make together

556,283,436

to complete the amount of expenses

there is still required.....

81,149,126

together.....

637,432,562 at which

sum, I propose to regulate definitively the expenses of the last nine months, as per Statement No. 5;

we have proposed fixing the receipts at.....

533,715,940

there will therefore result a deficiency of.....

francs 103,716,622—namely—

for the payments remaining to be made on the nine last

months of 1814..... 81,149,126

for the disbursements made by the Treasury over and above

what was received..... 22,567,496*

together—francs 103,716,622

which amount evidently belongs to the arrear of debt, and is to be carried to the vote of credit of 231 millions intended in the original project to cover the excess of expenses of the first quarter; the employment is now necessarily reduced to a much smaller sum, because the receipts, which were only valued at first at 442 millions, have produced 533 millions; and the expenses fixed at 674 millions, have only amounted to 637 millions, and that besides in the interval from the 1st of April to the carrying into execution of the law of the 23d September, about 57 millions had been paid out of the funds of the current service for the expenses of the first three months; so that every principle of regularity combines in classifying definitively this excess of expenditure of 103 millions with the arrear of debt, and in applying for its extinction the

* The payments made since the 1st of April, 1814, were as per Statement No. 3—556,283,436 and the receipts during the same period - - - Statement No. 4—533,715,940

excess of payments over the receipts - - - 22,567,496

the assets appropriated to the payments of sums due before the 1st of April ; from which I except however a sum of about 23 millions remaining due on account of the public debt, and which will be successively paid in coin out of the proceeds of the recoveries affected to the deficiency ; a distinction consecrated by the law of 23d September.

“ In consequence of these arrangements, the service of 1814 will be completely closed, as well in receipts as in expenses, and will not in future figure in the Treasury accounts ; all receipts still arising from it will be added to those of 1815, in augmentation of the resources of that year.

Service of 1815.

“ On the 1st of March, 1815, the finances presented the most tranquillizing appearance, the contributions were collected as they fell due, the payment of the arrears of debt proceeded rapidly, the assets intended for their extinction were at par, all the accounts were up to the day, and the Treasury had a reserve fund in its chest of 50 millions. Four months after, all the resources were exhausted, every hope had vanished ; order, confidence, credit disappeared ; twelve hundred thousand foreigners occupied France, and the evils of war spread desolation over its territory.

“ This state of things sufficiently explains how the Budget of 1815, which in the month of September, 1814, presented the legitimate hope of an excess of 70 millions, applicable to the discharge of the arrears of debt, shews at this day a deficiency of about 286 millions. The Statement No. 6, exhibits the situation of the Budget of receipts of 1815, on the 1st of October, by which it appears that at that period only about 369 millions had been recovered out of 618 millions, fixed by the law of 23d September. But considerable sums have been received since ; and, according to the present progress of recoveries, I am in hopes that ultimately, notwithstanding the circumstances which might have occasioned a deficiency, we shall still obtain this sum of 618 millions, shewing the extreme moderation of the original estimates.

“ To the ordinary receipts, valued at 618 millions (Statement No. 8) is to be added, 1st, 35,510,000 francs for the proceeds of rentes belonging to the Sinking Fund, sold in May and June, 1815 ; a lamentable proceeding, and which can only be justified on the part of the administration by the despotic power at whose command it was resorted to. 2d, The loan of one hundred millions, authorised by an ordonnance of your Majesty of the 16th of August ; this ordonnance was issued in the most difficult and imperious circumstances. The Treasury had engagements to fulfil towards the allied powers ; it was necessary at the same time to provide for the current expenses ; and it became therefore indispensable for a great part of these hundred millions to come in without interfering with the collections of the ordinary contributions.

“ In order to attain this object, the principal patented capitalists and proprietors were applied to for advances : it is required at present to regulate

this temporary measure, and provision is made for that purpose in the 3d section of the project of law, which I submit for your Majesty's approbation. One half of the total amount of the distribution of the four direct contributions, will be collected by way of extraordinary supply. The receipts of the sums given in payment of the loan of one hundred millions, will be taken as cash in this supply. One-tenth part of the amount thereof is placed at the disposal of the Prefects to cover the acquittances, allowances, and deductions it may be necessary to grant. The remainder will be paid into the Treasury on condition of reimbursing the capitalists, patentees, and proprietors, for the proportion of their advances, exceeding their quota of the new contribution: of allowing bonifications to the Departments which have suffered most by the late events; and of accounting with them for the local contributions they have been obliged to furnish for the pay, equipment, and refit of the foreign troops, the amount of which has been deducted from the sums to be paid to the allied powers, according to the respective conventions.

“ A sum of 61,057,000 francs is provisionally appropriated, under the title of *fonds de non-valeurs*, for the discharge of these debts; an account of the use made of this sum will be given to the Chambers at their ensuing session. If not sufficient, the deficiency will be provided for; and if any part should remain over, it will be applied to the general expenses of the Treasury.

“ With respect to the payment of the supply, a particular clause of the project of law fixes the respective obligations of the farmers and proprietors conformably to the 6th article of the law of the 23d of September. It must be observed that it relates to an extraordinary supply, and it is truly just that the farmers should participate in this charge with the proprietors, who have had so many expenses to bear and so many sacrifices to make. This clause has been asked for by several prefects; they have demanded that the law should be explicit on that head, to prevent the difficulties that might arise in their departments. I have been obliged to accede to a wish resulting from a liberal investigation of the subject, and the execution is besides authorised by precedents.

“ The ordinary and extraordinary receipts of 1815 will therefore produce, according to statement No. 8, a sum of francs 814,567,000

The expenses, according to the estimates

of the Ministers will be 703,943,000

To which must be added the pay, outfit,

and equipment of the foreign troops 180,000,000 *

The funds of the *non-valeurs* to be taken

from the supply, to cover the dis-

* By the conventions concluded with the Foreign powers in September last, the expense amounts to 200 millions; but a sum of about 20 millions is deducted for the amount of supplies, in money, clothing, equipment, and horses furnished by the Communes, to whom it must be returned, and forms part of the fund of *non-valeurs* of 61,057,000, brought in receipts and expenses in the Budget of 1815.

bursements and allowances due to the

Departments 61,057,000

Total (Statement 9)..... 945,000,000

Deficiency..... 130,433,000

which is incontestibly the consequence of the fatal events of the month of March, and represents a great part of the payments remaining to be made for the second quarter.

“ Your Majesty might, without disregarding justice, have objected to pay the creditors of an unlawful government. You have authorized the liquidation and payment of their claims, but as the ordinary resources of 1815 are exhausted, since the 70 millions intended for the discharge of debts have been appropriated to the current expenses, it is just and necessary that the payments remaining to be made, and which form the deficiency of 1815, should be added to the arrears of debt. It is thus that the payment of the expenses of 1814 belonging to the government of the first three months are to be made: the creditors for the second quarter of 1815, cannot be differently treated.

“ I therefore propose to your Majesty to open a credit of 130 millions for the debts in arrear. This sum added to the 347 millions remaining to be recovered on the 1st October last (Statement No. 6) will complete the payment of the expenses of 1815, and will be reproduced in the account of the resources and necessities of the deficiency; of which I now present a statement.

Situation and Payment of the Arrears of Debt.

“ The deficiencies of the different branches of the Administration and of the Treasury, and Sinking Fund on the 1st of April, 1814, were estimated from the naturally very imperfect documents that could be collected, at francs 759,165,000

“ The new statements, No. 17, 18, 19, 20, 21, 22, 23, and 24, transmitted by the Ministers, and founded upon more accurate data, reduce them to francs 593,217,979

Which is divided as follows (Statement No. 10)

Deficiency of the first three months

of 1814..... frs. 119,861,896

..... 1810 to 1813 inclusive 387,616,240

..... 1801 to 1809 91,739,843

..... 593,217,979

On account of which there was paid from the 1st of April 1814, to the 1st of October, 1815, including 54,813,782 fr. 91 cent. received on account of special

appropriations to the arrears of debt (Statement

No. 11) the sum of francs 145,161,949 76

Remaining due..... .. 448,056,029 24

Adding the amount of Bonds in circulation 14,023,300 00

So that on the 1st of October, 1815, being the period

at which I had to determine the complete amount of

all the elements of its situation, the deficiency prior

to the 1st of April, 1814, was still 462,079,329 24

which must be divided in two parts: the first comprising the debts of 1809 and preceding years, and the second, those remaining to be paid for the years 1810 to 1814 inclusive.

“ The condition of the creditors of 1809 and preceding years, has been irrevocably determined by the law of the 20th March, 1813; all that remains due on account thereof must, according to the 7th article of the 2d section of that enactment, be inscribed in the great book of the Public Debt. This principle has been constantly applied in the executive measures of the law of finance of 1814; and the law of the 20th March, 1813, having opened for the discharge of those debts, a credit in annuities which is not exhausted, it will be sufficient to recall the regulations applicable thereto.

“ Deducting the payments remaining to be made on account of 1809, and of the preceding years, the remaining deficiencies only is.....francs 390,878,309

Adding the payments remaining to be made on the last nine months of 1814..... .. 103,716,622

And the deficiency of 1815..... .. 130,433,000

It will definitively amount to..... .. 625,027,931

Adding the payments made on account of the arrears

from the 1st April, 1813, to 1st October, 1815 145,162,000

770,189,931

This deficiency had been estimated in the previous

amounts at 759,165,000

The new estimate therefore, notwithstanding the occa-

sion of the excess of expenses of 1814 and 1815, only

presents an increase of 11,024,931

“ The question as to the mode of paying the deficiency has been long discussed; the law of 23d September has determined it; and I might abstain from examining it, but opinions having the recommendation of experience, and supported by abilities, have been found in opposition to the provisions of that law; I think it useful to advert to them.

“ There exists one incontestible principle, namely that the state is bound to pay the creditors the entire amount of their claims; and this is not only a moral principle, but is also one of expediency; as the faithful discharge of engagements produces confidence, and confidence is the foundation of public credit,

nothing would certainly be easier than to leave the extinction of this deficiency to an indefinite period, and to add the principal to that of the inscribed debt. But we must not deceive ourselves, the consolidation of the debt does not relieve the treasury, since it is but a nominal payment, and the exertion of its power of exchanging the claimable and expired debt of its creditor against an indefinite engagement, thereby placing him but too frequently in the alternative of negotiating with loss, or keeping without hope of reimbursement, a depreciated security. By adding new *rentes* to those already in existence, this consolidation is not only prejudicial to the interests of the man who has in the hope of a legitimate profit, devoted his time, industry and capital to the state; it also reduces, contrary to the faith of contracts, the value of the old debts, and involves in one common loss the creditor of the State and the fundholder, violating with both the sacred right of property; and what is the consequence of this operation? The honest contractors and the capitalists withdraw themselves from a Government on whose faith they cannot rely, the public service falls into dishonest hands, ruinous contracts increase the expenses, taxes must be augmented, and the State is abandoned to all the disorders consequent upon the bad faith of which it was the first to set the example.

“In other times, ministers to whom absolute orders left not the choice of means, creditors placed in the alternative of submitting to the loss of their whole debt, or of accepting of a reduction, may have subscribed to such terms; but it belongs to the religious loyalty of your Majesty, to consecrate other rules of action. No, Sire, it is not at a moment when the insufficiency of the receipts of 1814 and 1815 obliges us to establish the arrears of debt at 235 millions for payments remaining to be made for those years; when new treaties are about to encrease the inscribed debt; and when by the effect of those very treaties foreign interests come in competition with our own and may exercise such a dangerous influence on public credit; it is not, I say, under such circumstances that I shall propose to your Majesty a mode of liquidation so contrary to justice and to the interest of the state; the law of the 23d of September has laid down the principles; we must remain faithful to them.

“Intervening circumstances might certainly present motives for restricting the concessions made by that law, for removing the period of reimbursement, or for reducing the rate of interest; but these circumstances in changing the position of the debtor, have not enfeebled the rights of the creditors: these rights continue unaltered; they have lost nothing of their legitimacy, they repose upon public faith, upon the promise of your Majesty: and what minister would dare to propose to you to fail in such engagements?

“To fulfil however the object of the law of the 23d September, it is indispensable to replace the seventy millions which were to have been taken from the receipts of 1815, and appropriated to the payment of the deficiency. I demand to be authorised to carry to four hundred hectares the alienation of the forests of the State; and in order to facilitate their sale, I propose to make the obligations of the treasury admissible in payment of the purchase of

these forests and of the Communal Estates, on condition of paying one-fifth part in money.

“This measure will not deprive the creditors of any of the advantages secured to them; it will on the contrary extend and complete their enjoyment. They retain the option of waiting for the reimbursement of the obligations when due, of obtaining, should they prefer it, their inscription on the great book; and they will besides have the facility of disposing of them, either directly by purchases on their own accounts, or indirectly by sale to other purchasers who might require them to complete their bargains. The obligations of which the liquidations already affected will sensibly increase the issue, will thus find a more rapid circulation, will be offered in smaller quantities in the market, take more favour, and will stand less in need of being supported in value by successive purchases, since the security for the debt will of itself operate as a sinking fund; and on this head, it is essential not to confound the operations of the late Government with the one we propose. When, in countries torn by the force of arms from their legitimate sovereigns, the conquered domains were put up to sale, the assignments, commissions and other effects admissible in payment of these domains must have been depreciated, as they had a compulsory destination, because the distant estates, the value of which was not known, could only suit a small number of individuals and because the violence of conquest diminished still more the value of the purchases.

“Here the state of things is very different; the amount of the debt is ascertained, it cannot be increased, it may and must diminish by the effect of the liquidations. In this debt is comprised a certain quantity of foreign debt, which by the last treaties must be inscribed in the great book; this circumstance, the probable advance in the price of the woods, the option left to the holders of ordonnances to have the amount of their debt inscribed in the great book, will contribute still more to diminish the issue of obligations. In the least favorable circumstance, this issue will not exceed the value of the security, so that each obligation will find, either a portion of security for its immediate employment, or a sum in money ready for its reimbursement when it comes to maturity. In proportion as the successive redemption of the obligations will diminish their quantity, their value will be nearer par; and the more this redemption will reduce the mass of domains on sale, the higher will their price rise. Both these causes will act simultaneously for the interest of the creditors and for that of the State; and such is the combination of this operation, that the treasury will retain, by the condition imposed upon the purchasers to pay one-fifth in money, the power of sustaining the value of these securities, since every obligation admitted in payment will add to the means of purchasing the others.

“The usefulness of this measure, considered particularly in relation to our present situation, thus appears proved. It is not, I repeat it, contrary to the law of 23d September, but an additional method of fulfilling its intentions, and it is under that persuasion that I submit it to your Majesty's approval.

The service of the two years 1814 and 1815, thus settled, I pass to the examination of the resources and necessities of 1816, &c.

The above literal versions of the speeches and reports made by the French Ministers of Finance on the first restoration of the Bourbon dynasty, and after the expulsion and subsequent banishment of Buonaparte in 1815, have been considered as valuable, in as far as they tend to exhibit the situations of the finances of that kingdom at the termination of the war, and also as eliciting some of the measures pursued by the late government of France; and so far the original speeches, with the accompanying statements, will be found interesting: but it would far exceed the limits of this work, and involve us in details of no interest or importance, were we to present a succession of the reports and statements laid before the King or the Chambers, at the commencement or close of every financial year to the present day. And the following extracts from the official documents will be sufficient to afford a view of the progress of the French finances, with the general details of the state of the revenue, and the amount of expenses from year to year.

The receipts of the last nine months of 1814 were

definitively fixed at.....	533,715,490 fr. 04 c,
Expenses ditto ditto.....	637,432,562 „ 65 „

Art. 1. Section 1. Law of Finance for the year 1816.

BUDGET OF RECEIPTS AND EXPENSES FOR THE YEAR 1815.

Receipts.

Nature of the Revenues.

Direct Taxes	francs	320,000,000
Registration and Domaines and Woods.....		105,000,000
Customs { ordinary duties	22,882,000	
{ duty on Salt	46,950,000	
		69,832,000
General duties	42,959,200	
Tobacco	40,445,800	
		83,405,000
Lottery		7,844,000
Post-office		9,086,500
Salt Works of <i>L'Est</i>		2,400,000
Miscellaneous receipts.....		6,600,000
Total of ordinary receipts.....		604,167,500

Extraordinary Receipts.

Proceeds of 3,500,000 francs Rentes sold in May and June, 1815, belonging to the Sinking Fund	35,863,200
Extraordinary War Contribution	100,000,000
	740,030,700
Deficiency	51,286,960
	791,317,660

Expenses.

Civil List.....	francs	30,700,000
Chamber of Peers.....		1,203,500
Chamber of Deputies		2,554,160

Ministries.

Chancery	19,100,000
Foreign Affairs	8,500,000
Interior	51,600,000
War Department.....	321,343,000
Navy	39,500,000
General Police	1,017,000
Finances	17,800,000
Public Debt	100,000,000
Interest on securities	8,000,000
Charges of negotiation	10,000,000

Total of ordinary expenses..... 611,317,660

Extraordinary Expenses.

Payments for the Foreign Troops	180,000,000
Total of credits.....	791,317,660

BUDGET OF THE RECEIPTS OF 1816.

Direct Contributions.	Land Tax—principal.....	172,132,000	
	Persons and moveables	27,289,000	
	Doors and windows.....	12,892,000	
	Patentes.....	15,416,000	
		<u>227,729,000</u>	
	deduct losses & <i>non-valeurs</i> ...	4,554,580	
		<u>223,174,420</u>	
	remaining net for the Treasury	223,174,420	
	<i>Additional centimes us in 1815.</i>		
	38 additional centimes on the tax		
	on land, persons & moveables.	75,779,980	
	10 ditto on doors and windows ..	1,239,000	
	5 ditto on the <i>Patentes</i>	771,000	
		<u>77,839,980</u>	
	deduct losses & <i>non-valeurs</i> ...	3,556,799	
		<u>74,283,181</u>	
	<i>Extraordinary contributions & resources.</i>		
	110 centimes on the amount of		
	<i>Patentes</i>	17,805,700	
	50 ditto on doors & windows ..	6,446,000	
	10 ditto on persons & moveables	2,728,900	
		<u>26,980,600</u>	
	deduct losses and <i>non-valeurs</i>	6,698,060	
		<u>20,282,540</u>	
			317,740,141
	12 additional centimes to the principal of the tax on land		
	and on persons, on the 50 collected in 1815, for ex-		
	penses of the department	23,920,529	
	Registration and Domains.....	135,000,000	
	Woods	17,560,000	
	Recoveries to be made in 1816, on the sales of Communal estates	17,000,000	
	“ “ “ of Woods.....	9,100,000	
	“ on the allowances to purchasers of National Domains	2,556,000	
	Customs—Ordinary duties.....	35,600,000	
	“ Duties on Salt	30,500,000	
	Indirect Contributions—Ordinary duties.	80,000,000	
	“ “ Tobacco	30,000,000	
	Stamps—Lottery, Post-office, Salt-works <i>de L'Est</i> , &c.	22,000,000	
	Securities	56,000,000	
	Deduction on Salaries.....	13,000,000	
	“ made by the King on the Civil List	11,000,000	
	Receipts made on account of the Services of 1814 & previous		
	years, since 1st October, 1815	10,500,000	
		<u>791,366,661</u>	
	estimated proceeds of 6 millions of Rentes	69,600,000	
		<u>860,966,661</u>	
	Total Revenue of 1816	860,966,661	
	Deficiency carried to 1817..	23,525,859	
		<u>884,492,520</u>	

BUDGET OF THE EXPENDITURE OF 1816.

	francs.
Civil List	24,000,000
Chamber of Peers	2,000,000
Chamber of Deputies	700,000
Justice	17,600,000
Foreign Affairs	9,440,000
Interior	51,400,000
Expenses of the Departments.....	23,930,520
War—Ordinary Service	216,000,000
“ Support of the Foreign Troops.....	130,000,000
Navy	48,000,000
Finance—Ordinary Service	16,000,000
„ Payment of one-fifth of the 700 millions	140,000,000
Police	1,000,000
Public Debt	125,500,000
Interest of Securities.....	8,000,000
Charges of Negotiation	12,000,000
Sinking Fund	20,000,000
Interest on Royal obligations	1,122,000
Payments to the houses of Counts Bentheim & Steinfurth	800,000
Reimbursement of the half of the 20 millions advanced by the Departments for the equipment of Foreign Troops	10,000,000
Assistance granted by the King and the Princes to the Depart- ments that have suffered most by the military occupation...	11,000,000
	878,492,520

Extraordinary Expenditure.

Payments in money, of Interests and Capitals of Foreign Claims (article 17 & 18 of the convention of 20 November, 1815)...	6,000,000
	884,492,520

BUDGET OF RECEIPTS FOR THE YEAR 1817.

Land Tax, principal	francs 171,930,017
Tax on persons and moveables	27,244,620
	francs 199,174,637
14 addit. centimes for expenses of Departments	27,884,449
36 " " " of the other services	71,702,869
	 99,587,318
Doors and Windows, principal	12,874,230
10 centimes for <i>dégrèvements</i> & <i>non-valcurs</i> .	1,287,423
	 14,161,653
<i>Patentes</i> , principal	17,596,136
5 centimes for <i>Dégrèvements</i>	879,806
	 18,475,942
100 centimes additional on the <i>Patentes</i>	17,596,136
90 " " " Doors and Windows	11,586,807
50 " " " Persons and moveables. .	13,622,310
Total gross amount of direct contributions	374,204,803
Registration and Domains	140,000,000
Forests	16,400,000
Recoveries to be made, on Communal Estates	6,000,000
" Woods	3,000,000
" Sales of Domains	1,000,000
Customs, General Duties	40,000,000
Duties on Salt	35,000,000
Indirect contributions—Ordinary duties	86,000,000
Tobacco	34,000,000
Post-office	9,000,000
Lottery	8,000,000
Salt Works of <i>L'Est</i>	2,400,000
Incidental receipts	1,000,000
Draw-backs on Salaries	13,000,000
Relinquishment of the King and Princes on the Civil List	5,000,000
Total (of which 70,805,253 are temporary receipts) ..	francs 774,004,803

BUDGET OF EXPENSES FOR THE YEAR 1817.

Public Debt—Perpetual Annuities.	113,400,000	
Pensions, Civil, Military, and		
Clerical	24,200,000	
Life Annuities	13,400,000	
		francs 151,000,000
Due upon 1814 and former years	4,000,000	
Civil List 25,000,000, Royal Family 9,000,000	34,000,000	
Chamber of Peers 2,000,000, do. of Deputies 800,000	2,800,000	
Ministry of Justice 18,000,000, Foreign affairs 6,500,000	24,500,000	
Interior	84,900,000	
War, ordinary 212,000,000, Foreign troops 160,000,000	372,000,000	
Marine	50,570,000	
Finance Department, including 2-5 on 700 millions	172,408,807	

Police 1,200,000, interest on securities 9,000,000.....francs	10,206,000
Interest on royal obligations 1,125,000, payment of ditto 3,740,000	4,865,000
Charges of negotiation 15,000,000, Sinking Fund 40,000,000	55,000,000
Reimbursement of the second half of 20 millions advanced by the Departments in 1815 to foreign troops	10,000,000
Incidental payments, interest on foreign debts	6,000,000

982,243,807

Supplementary payments on former years	83,051,150
<i>Arriéré des Caisses</i> payable in 1817, by estimate	23,000,000

Total vote of credit for the service of 1817... .. 1,088,294,957

*Summary detail of the amount of Funds required for the Public Debt, as
stated in the Budget of 1817.*

5 per Cents. inscribed on the 1st of October, 1815	francs 65,393,312
King's debt	1,500,000
Annuities of the Communes	750,000
„ inscribed from the 1st of October, 1815, to the 1st of August, 1816, in payment of the arrears of debt	3,100,000
Inscriptions to secure the liquidation of debts due abroad..	7,000,000
„ for the benefit of the family of Bentheim	33,333
Vote of credit in Rentes, law 28th April	6,000,000
For interests to be paid from 5th May, 1816, on debts due before the 1st January, 1816	14,623,355
On the vote of credit in Rentes demanded for the service of 1817	15,000,000
Life Annuities	13,400,000

Pensions inscribed on the 1st of July, 1816.

Civil, old and new	2,360,277
Of the Army and Widows	5,462,885
„ Clergy, old and new	15,114,414
Pensions granted, but not yet inscribed on 1st of January ..	1,207,140

Total of Rentes

150,944,716

Taken in the Budget at.. .. 181,000,000

*Extract of Count CORVETTO's Report to the King on the 1st of July, 1817,
on the general Finances of the kingdom, in as far as is required for the
purpose of this Work.*

Service of 1814.

The numerical Budget of the last nine months of 1814, has been irrevocably fixed by the law of the 28th of April, according to which, the sums ultimately received on account of 1814 were to be added to the receipts of 1816. This regulation, confirmed by the enactment of the 25th of March, has been conformed with. On the 1st of August, 1816, the period of closing the last Budget, the receipts thus transferred to 1816, amounted to 10,500,000 francs; since which it has been augmented by 950,000 francs.

The arrears of debt previous to 1814, have at length been fixed at 727,603,200 francs, which is the highest amount to which they can be carried; of which there has been paid as follows :

In money.....francs	22,885,160
„ Indemnities	3,127,770
„ Commissions on the price of the sales of wood	6,848,110
„ Obligations of the Royal Treasury. . .	36,129,070
„ 5 per cent. annuities.....	186,850,780
„ Reconnoissances de liquidation.	41,272,000
	297,112,890

The balance remaining to be paid would therefore appear to be .. 430,490,310

Of which however, according to the law of 20th

March, 1813, there was to have been paid

in Rentes, nominal value 126,943,000

On account whereof there had been paid 62,500,000

And there remained due on the amount on the 1st of July 64,443,000

By which the sum payable in reconnoissances (in the event of the creditors not chusing inscriptions on the great book) and reimbursable by fifths, commencing in 1821, is reduced to..... .. 366,047,310

The payments made in these securities on the 1st of July, amounted to 41,272,000

The reimbursements to be made by fifths in Rentes at the course, commencing in 1821, present therefore a total of 407,319,310

Service of 1815.

The law of the 25th of March fixed the amount of receipts, ordinary and extraordinary, at 791,317,660 francs, on account of which there remained to be recovered 6,746,000 francs; and a vote of credit of 1,446,020 is required for the completion of that service.

Service of 1816.

The law of the 25th of March had provisionally determined the receipts of 1816 at francs 884,492,620 but the revenue was ultimately expected to yield 893,430,000 being a surplus of about nine millions of francs.

On the other hand the expenses of the army of occupation from the 1st of Dec. 1815, to the 1st of Dec. 1816, estimated only at....francs 130,000,000 have amounted to 138,350,000

making an increase in the expense of.... .. 8,350,000

The total results of the statements shew a deficiency of about 6,000,000 which could not however be estimated with certainty.

Service of 1817.

The inclemency of the season of 1816, had occasioned an almost universal scarcity throughout Europe. France, less accustomed to this species of misfortune, less prepared by the habits of her population to meet it, has

suffered more than any other country from the common disaster. Considerable purchases of Corn made abroad, encouragements granted on the importation of grain, have imposed great sacrifices to the treasury. Other unusual expenses have been superadded and have disturbed the combinations of the budget, but a vote of credit of 30,000,000 of rentes has prevented the regular services of the year from being compromised.

The Budget of the consolidated debt and sinking fund was fixed by the law of the 25th of March, in receipts at 157,000,000. The revenue of the Registration and of the Post Office, specially appropriated to that purpose, will most probably produce 6,800,000 more than was expected; but on the other hand the proceeds of the Lottery, shew a deficiency of.... 2,000,000 by which the surplus is reduced to 4,800,000 To which is to be added a reserve fund transferred to this account of 3,600,000

Exhibiting definitively an excess of resources over the estimates of 8,400,000 Finally the ordinary revenue shows a surplus of resources beyond what was calculated of 52,331,161 francs.

The law of the 25th of March, authorised the inscription of 30,000,000 francs, Rentes, to defray the extraordinary expenses.

Mercantile houses, justly celebrated in the commercial world, by the extent of their connections and the prudence of their conduct, have set the example of confidence in your Majesty's Government. By the first treaty of the 10th of February, 1817, the treasury engaged to deliver 9,090,909 francs 5 per cent. Rentes, against which it received 95,454,546 francs. the annuity was negotiated at 52 francs 50 centimes.

By a second treaty of the 11th of March, 1817, the Treasury sold 8,620,689 francs Rentes, for which it received 95,689,656 francs, making the price of the rentes amount at 55 francs 50 centimes. Lastly, by the treaties of the 22d and 23d July, 1817, the Treasury delivered 9,000,000 francs of Rentes; and received 110,700,000 in money; the rent was sold at 61 fr. 50 centimes.

The total amount of Rentes delivered by these three treaties was 26,711,598 francs.

And the sum received by the treasury for the service of 1817, was 301,844,200 francs.

The Rentes were negotiated at an average price of 56 francs 50 centimes.

Finally, the total amount of expenses for 1817, are

fixed at	1,098,494,258
The receipts will be	1,102,676,903

Leaving a surplus for the service of 1818, of....francs 4,182,644

DEFINITIVE BUDGET FOR 1818.

<i>Expenses.</i>		
Consolidated Debt, 5 per Cents.	francs	136,737,000
Interest on Reconnoissances		15,000,000
Endowment of the Sinking Fund		40,000,000
Life Annuities		12,800,000
Pensions, Civil		2,450,000
Clerical		12,500,000
Military		48,500,007

Pensions, Fund <i>de retenue</i>	francs	265,050
Civil List and Royal Family		34,000,000
Chambers of Peers and Deputies		2,680,000
Justice		18,087,020
Foreign Affairs		9,690,660
Interior		100,466,243
Finances, <i>non valeurs</i> , on direct Contributions		7,917,971
Payments deducted from the gross proceeds for Charges of Collecting, &c.	Charge of Collecting ditto	17,200,000
	Registration, Stamps and Woods	16,562,000
	Post Office	9,840,000
	Lottery	5,082,600
	Customs and Salt	23,051,210
	Fermented Liquors and Tobacco	46,276,900
	Gunpowder, Charges	1,337,057
Finance, Ordinary service		11,975,000
Survey of Land		3,000,000
Interest on Securities		8,000,000
Supplementary Fund		433,067
Charges of Negotiation		21,796,570
War		151,552,180
Marine		44,800,000
General Police		6,225,933
Reimbursement of Royal obligations		10,333,950
Interest on ditto		1,134,472
War Contribution, 3d. fifth		140,000,000
Army of occupation		141,940,530
Pay of Foreign Troops, 2d Call		26,666,667
Payment to England, Conv. 1 Sept. 1817		2,200,000
Reimbursement of securities		12,000,000
War Contribution, complement of the last two fifths		265,000,000
Charges of Management of the Financial Administration of 1815, 1816, and 1817		1,407,502,087
Total....		1,415,688,762

Receipts.

Registration, Stamp and Domain	169,729,618
Wood	20,130,826
Post Office	21,829,635
Lottery	15,413,730
Direct Contributions	362,992,831
Customs and Salt Duties	114,499,415
<i>Indirect Contributions.</i>	
Fermented Liquors and Tobacco	173,945,595
Subscription of the Towns for Barracks	444,622
Sale of Gunpowder	2,146,582
Duty on Journals and farm of Games	6,444,349
Various Receipts, (including 2,438,828 for Pondicherry)	7,483,736
Salt Works, <i>de L'Est</i>	3,015,810
Recovery on Wood sold (Law 23 Sept. 1814)	536,629
„ Communal Estates, (Law, 20 March, 1813)	1,872,487
„ On the Discount of the purchasers of Domains ..	944,510
Relinquishment by the King and Princes	2,200,000

DOCUMENTS—FRANCE.

69

Deductions on Salaries	frances	10,839,664
„ Pensions		144,892
Receipts from 1 Jan. to 1 Sept. 1818, on the services of 1817, and previous years		2,173,495
<i>Disposable Funds on the Credits voted to Ministers for the services previous to 1818.</i>		
On 1814	262,944	
1815	140,885	
1816	1,749,615	
1817	1,252,018	
		3,412,462
<i>Extraordinary Receipts.</i>		
Proceeds of 14,925,500 Rentes, Vote of Credit of 6 and 15 May, 1818		197,909,100
Proceeds of 18,929,377 ditto on the vote of credit, 24 millions, law 6 May, 1818, for the payment of the last two fifths of the War Contribution		265,000,000
	Total	1,383,110,288
Amount taken and transferred to the service of 1817, Law 27 Jan. 1819		3,275,877
Remains in Receipts for 1818		1,379,834,411
Complement to be taken from the Receipts of 1819		35,854,351
		1,415,688,762

BUDGET OF THE YEAR 1819.

RECEIPTS.

Proceeds appropriated to the Consolidated Debt.

Registration, Stamp, and Domains	frances	165,384,000
Forests		18,310,000
Customs and Duty on Salt		113,013,000

Proceeds appropriated to the general expenses of the State.

Indirect contributions		190,000,000
Post-office		22,460,000
Lottery		15,000,000
Drawback on salaries		8,400,000
Miscellaneous proceeds		11,788,150
Direct contributions		342,000,000

	Total..	886,355,150
Transfer of 1,674,500 francs Rentes, withdrawn from the service of 1818		32,021,318
		919,276,468
Anticipations carried to the Budget of 1818		35,854,351
		883,422,117

BUDGET OF THE YEAR 1819.

EXPENDITURE.

Consolidated Debt and Sinking Fund.

5 per cent. Consols and interest on reconnoissances.....francs	187,997,123
Endowment for the Sinking Fund	40,000,000

General Expenses.

Civil List and Royal Family.....	34,000,000
Ministry of Justice	17,460,000
Pensions to functionaries retiring	380,000
Foreign affairs	7,850,000
Interior—ordinary service	10,700,000
Pensions to retiring functionaries	665,411
Worship	22,800,000
Public Works.....	33,200,000
Charitable institutions	2,000,000
Variable expenses	34,000,000
War—Active service	168,494,000
Liquidation of arrears	656,000
Half-pay and reliefs.....	15,600,000
pensions to retiring functionaries	285,000
Ministry of Marine	45,200,000

Ministry of Finance.

Life annuities	11,800,000
Pensions—Civil	2,477,425
Military	51,100,000
Clerical.....	11,500,000
Interest on securities	8,000,000
on the floating debt	7,500,000
Chamber of Peers	2,000,000
Chamber of Deputies.....	680,000
Legion of Honour	240,000
Court of Accounts	1,243,000
Committee of Liquidation	151,000
Ordinary service	7,341,000
Survey of Land	3,000,000
Construction of the street of Rivoli	1,200,000
Charges of the Treasury service	5,796,000
Pensions to retiring reformed functionaries	530,164
Charges of administration, collection, and <i>non-valeurs</i> ...	133,670,000

869,516,123

BUDGET OF THE YEAR 1820.

In which the receipts are stated at their net amount. The charges of administration and collection amounting to 138,388,430 frs. being deducted.

<i>Receipts, net proceeds.</i>	CONSOLIDATED DEBT.
Registration, Stamps, and Domains . . . francs	147,000,000
Forests	14,000,000
Customs and duty on Salt	85,336,700
	246,336,700
Excess carried to the ordinary receipts francs	17,995,500
Land Tax, Tax on Persons and moveables, Doors and Windows, and Licenses, with the additional centimes. . .	311,773,780
<i>Indirect contributions.</i>	
Fermented Liquors, Tobacco, &c.	140,000,000
Post-office	12,097,000
Lottery	9,000,000
Drawback on salaries	5,600,000
Miscellaneous proceeds, interest on Rentes, &c.	14,241,970
	510,708,250

Expenditure.

CONSOLIDATED DEBT.

Interest on reconnoissances issued on the 1st June, 1820 . . . francs	12,005,818
Ditto on those remaining to be issued	2,994,182
Interest on the Public Debt	173,341,200
Dotation of the Sinking Fund, exclusive of 13,600,000 Rentes in its possession on the 1st of January, 1820, and of the forests	40,000,000

ORDINARY CHARGES.

Civil List and Royal Family	34,000,000
Presidency of the Council of Ministers	155,000
Ministry of Justice	17,895,500
Foreign Affairs	7,570,000
<i>Ministry of the Interior.</i>	
Ordinary service	10,929,600
Public Worship	23,250,000
Highways and Bridges	34,010,000
Expenses of the Departments	34,186,000
Funds in aid for fires, hail storms, and other casualties . . .	1,954,000
Ministry of War	180,024,350
Marine	50,000,000
<i>Ministry of Finances.</i>	
Life Annuities	11,400,000
Pensions, Civil and Military	66,352,650
Court of Accounts and Landsurvey	5,793,600
Interests, and negotiation charges	22,400,300
Ordinary service	6,420,000
Chambers of Peers and Deputies	2,730,000

509,071,000

Excess of receipts 1,637,250

Francs 510,708,250

Budget, sitting of 22d January, 1820.

The Minister of Finance stated, that "the Budget he had the honour to present, was divided into two parts. The one was invariably to be exacted; the other was that, the amount of which might be debated with more or less advantage. The first is composed of the consolidated debt. It amounts for 1820 to 228,341,200 francs, including 344,000 francs, forming the estimate of the produce of liquidations to be inscribed this year. The other part of the Budget of expenditure is that which refers to the charges of administration. This amounts to 511,000,000. It contains likewise 120,500,000 of items which are placed beyond discussion, namely, 34,000,000. for the Civil List, 11,500,000 of life annuities, 67,000,000 for pensions, and 8,000,000 for the interest of securities. Thus, the Budget of expenditure, which amounts to 739,700,000, supports a charge of 349,000,000 independently of the current expenses of the administration. The diminution of the former charges depends not on us, but must be the effect of time alone. There is only therefore an amount of 390,000,000 of expenses truly administrative, which are really accessible to the investigation of the Chamber." The Minister then stated the charge of the different Departments.

The Ministry of Justice for 1819.. 17,460,000 francs.
1820.. 18,000,000 "

Increase.. 540,000 "

The Department for Foreign Affairs for 1819.. 7,850,000 "
1820.. 8,000,000 "

Increase, principally for new Consulships.. 150,000 "

The Ministry of the Interior which, independently of its ordinary service, includes public worship, public works, departmental expenses for 1819. 102,840,000 francs.
1820 104,340,000 "

Increase.. 1,500,000 "

The increase is occasioned by premiums for the encouragement of industry, expenses of the improvement of prisons, &c.

The Ministry of War, the budget of which last year was. 184,750,000 "
Estimated in 1820 at... 184,450,000 "

Decrease.. 300,000 "

The Ministry of Marine required an expenditure in 1819 of 45,000,000 "
Which is estimated in 1820 at.. 45,480,000 "

Increase.. 480,000 "

The Ministry of Finance presents the same expenditure as last year.

The Minister of Finance entered into an explanation of the causes of each of these charges.

The comparison of the budget of 1820 with that of 1819, presents only an excess in the present year of 3,900,000, although it includes nearly 11,000,000 of expenses not included in the budget of 1819. It would be remarked that this excess of 3,900,000 would be covered by the power of disposing of seven month's arrears of the 6,150,000 f. of Rentes placed to the credit of the Treasury, for the departure of the foreign troops, which will become a sinking

Fund to the State. On a last analysis the public service for 1820 does not cost more than in 1819. The Government would have wished that the estimates had been less, and that the reduction which was made last year in the land-tax, should have been followed by another in this, but necessity is stronger than the wishes of the Ministry or even of the Chambers. But however this may be, the aspect of the public charges ought not to alarm, first, because, thanks to the publicity of the public accounts, the financial situation of France was known in all its parts; and secondly, because in measuring our power with the burdens which we have to bear, we feel that we can support them without bending, till they become less oppressive. Our taxes are collected without violence, and with a degree of exactness which is due as much to the patriotism of the contributors as to the zeal of the collectors. The Sinking Fund now amounts to francs 54,000,000—78,000,000 of capital may be expected from the sale of forests, and will be added to this fund.

On the 30th of January, 1820—

The Minister of Finance, Mr. Roy, having on a former occasion presented the Budget of Expenditure, now presented that of Revenue. The Chamber knew that the interest of the debt and the dotation of the Sinking Fund required this year the sum of 228,341,200 fr. It was proposed to appropriate for this purpose those branches of revenue which were placed most beyond the uncertainties of the seasons—namely, the produce of those duties the collection of which was entrusted to the administration of registration, and of the domains; those which would arise from the sale of the forests, and from the customs, including the produce of the tax on salt; these three branches would yield 247 millions, while the interest of the debt and charges of the Sinking Fund demanded only 228,000,000, the excess of 18,638,800 would be joined to the sum of 492,712,750, expected to arise from other sources of revenue, in order to form a total of 511,371,550, which the State required to balance the expenditure of 1820. The estimates which form the result of 511,371,550 are lower by 13 millions than those of 1819. The direct contributions produced as much as they were calculated by law to produce, this branch of revenue being not susceptible of greater variations than the mass of the population from which it springs. The duties of *enregistrement* which include those of stamps, the domains, and forests, are, next to the direct contributions, the most productive, and amount in estimates of 1820, to 147,000,000. The estimate was higher last year. The Customs, a defensive institution against foreign, in favour of French industry, and a useful source of revenue to the public treasury, would always be important in an agricultural and commercial country like France; the produce of this branch of revenue was estimated at 86,000,000 for 1820. The indirect contributions, including 40,000,000 from the sale of tobacco, would produce 140,000,000. The produce of the Post-office was estimated at 12,097,000: this establishment, created more for the advantage of commerce and the convenience of society than for the benefit of the treasury, was not calculated upon for a great increase of revenue. From the Lottery was expected the sum of 9,000,000. The drawback on Salaries amounted to 5,600,000. Such was, said the Minister, the analysis of the whole of the ways and means. This Statement contained only the net produce of the revenue. It was proper to state how much the collection cost. The charges of collection were estimated at the

sum of 134,375,130 fr. was distributed as follows—

Direct Contributions.....	francs 30,126,220
Registration, Stamps and Domains... ..	11,987,500
Forests	3,047,400
Customs and Salt Duties	23,013,000
Indirect Contributions	47,316,300
Post-office	11,693,710
Lottery	5,000,000
Miscellaneous	1,192,000

134,375,130

The gross produce of the revenue was estimated at 874 millions, and the charge of collection, making all deductions, would amount to about the eighth part of that sum, or about 12½ per cent. This, said his Excellency, is a great proportion, but it is rendered necessary by the system of indirect taxation, which requires for its collection great vigilance and activity, and consequently a numerous body of officers.

—◆—

Chamber of Deputies—Sitting of the 16th January, 1821.

The Chamber met, and having disposed of some preliminary matters of no public interest, the Minister of Finance ascended the tribune, and instantly excited the most anxious attention in the assembly. He said that the King had charged him to present to the Chamber the project of the law of finances for the service of the year 1821. This project embraced the receipt and the expenditure. He remarked that it was not sufficient that the revenues of the State should merely equal its expenditure, it was necessary that they should exceed it, and the excess of the supply for the service passed should constitute the first resource for the service ensuing.

"We have the satisfaction," observed the Minister, "to present to you, by the side of the charges for the year 1821, an estimate of means to meet those charges, which will greatly exceed them. It is not by sparing mutilations and retrenchments in the different branches of the public service that this result has been obtained; every thing has been upheld without parsimony, and some departments have even increased. We do not propose to establish our own advantage upon the destruction or diminution of useful institutions."

The Chamber was aware that the charges of the State were divided into two principal heads; one was not open to dispute, namely, the Public Debt, the Sinking Fund, the Civil List, the Interest of Securities, the Floating Debt, and the Pensions inscribed in the great book. The other had not, like the first, a principle of fixity resisting the modifications which the spirit of economy might suggest. This comprehended all the estimates of the civil, military, and naval services.

The total amount of the fixed expenses for 1821 is esti-

mated at	francs 351,271,489
The administrative expenses are estimated at	„ 521,285,885
The 5 per cent. Consols, comprising the interests of the acknowledgements of liquidation, are stated in the Budget of 1820, at ..	„ 188,341,200
In the Budget, 1821, at	„ 189,052,764

The difference ...

711,564

The cause of this was the proposed inscription of the rentes of 240,000 fr. granted to the Legion of Honour, on the security of the forests, and of the rentes inscribed in payment of the arrear previous to 1820.

The Civil List is invariable during the reign for which the law has fixed it.

The interests of the securities require two millions more than the preceding years. The life annuity debt offers, in comparison with the last year, a probable sum for redemption of 600,000 francs, which will be reproduced, more or less, from year to year. The same may be said of pensions, of which the presumed extinctions in 1821, will effect a diminution to the amount of 2,387,000 francs.

The expenses of the Presidency of the Council, and of the Ministry of Justice, require the same as in the last year.

The Ministry of Foreign Affairs is comprised in the project for 7,870,000 francs. The insufficiency of the former estimate for the pay of diplomatic agents, and for the expense of couriers, has rendered the demand of 300,000 fr. necessary beyond the grants of the year 1820.

The Ministry of War is limited to 175,442,000 francs. This is less than the estimates of the former year, by the sum of 4,582,352 francs.

The expenses of the Marine are estimated at 53 millions. The augmentation of three millions is justified by its utility and the necessities of the department.

The Ministry of the Interior, estimated at 103,720,000 francs, presents a diminution of 909,600 francs.

The funds required for the administrative service of the Ministry of Finance, will experience in 1821, a new diminution of 120,000 francs, almost the whole of which will be the result of diminishing the number of persons employed.

The expenses of Diplomacy are estimated at 14 millions; that is, 1,896,000 fr. less than last year.

The Commission for managing the old Sinking Fund is suppressed, and with it the expenditure it occasioned.

The sums formerly required for the expenses of the Chambers of Peers and of Deputies, of the Court of Accounts, and of the Administration of the Mint, &c. will offer some variations, the expenditure of the Chambers having increased, while that of the Mint and others have diminished. The Mint shows a saving of 45,970 francs.

Having thus stated the expenditure for the year 1821, the Minister then proceeded to detail the ways and means for meeting the charges. In private affairs, he observed, the increase of property is a sign of good management, but this is not always the case in public affairs, for if this increase be the result of an overcharge in taxation, it is a real calamity. This is the case undoubtedly when the overcharge falls on landed property, because a heavy tax on property tends to exhaust in its source the most permanent revenues which can be furnished by a nation that is essentially agricultural. The land-tax, has therefore, particularly drawn the attention of the government; and its first care has been to reduce the tax in such a proportion as will leave a greater latitude to the savings of the proprietors, and give them more means of increasing the labour which is the poor man's wealth, and the principal source of public prosperity.

Other taxes will receive some increase, but this augmentation will not be burdensome, because it will be the result of a greater relief to all classes, and arising from an infinity of small contributions, it will not weigh heavily on the person, being mixed up with the expenses of daily consumption.

He then proposed that the assembly should fix 27,351,136 francs 38 cents. the amount of the relief granted on the land-tax from the 1st of July next. The tax would after this reduction produce the sum of 230,224,952 francs.

He should propose no change in the tax upon personal and moveable property, nor in the duty on windows, doors, or patents. These would produce the sum of 81,229,075 francs.

In the Registry a considerable deficit was to be apprehended; not exceeding, however, the sum of two millions. The produce of the tax was estimated at 150,500,500 francs.

The Woods, valued in 1820, at 17,047,400 francs, produced only 15,247,400 francs, notwithstanding the sale in the course of the year of 20,000 hectares. This year they will produce 18,500,000 francs, that is, 3,252,600 francs more than in 1820. The indirect contributions are estimated at 191,000,000 francs. The Customs and the Salt, valued in 1820, at 109,013,000 francs, promise an important augmentation; we shall calculate them however at 119,000,000 francs.

The Administration of the Forests does not offer any considerable increase of produce; its amount will not exceed 24,310,000 francs.

The Lottery will exceed the produce of 1820 by about one million, and may be estimated at 15,000,000 francs. The following is the sum total of the produce and the expenses:—

The produce of the taxes	francs 888,021,745
The expenditure	 882,327,374

The excess of receipts	5,694,371
------------------------------	-----------

This sum of 5,694,371 francs, comprises that of 4,458,742 francs that remains disposable from the service of 1819. There will also remain disposable from the service of 1820, a sum not less than 24,400,000 francs. Thus, even after the contributions of the year 1821 will have suffered a diminution within the last six months of the year to the amount of 17,131,570 francs, this service will still present a reserve or an excess of receipt above expenditure of more than 30 millions, 29 of which are the result of produce actually realized. The Minister then remarked upon the necessity of preserving such an excess as this, and proceeded to give a general abstract of the state of the expenditure for the year.

Chamber of Deputies—Sitting of January 2, 1821.

The Minister of Finance rose, to present two projects of law to the Chamber.

“Gentlemen,” said he, “the provisional receipt of the six-twelfths, which have been ordered for the preceding years, must also take place in 1821, that the public service should meet no interruption until the dispositions of the new law of finance shall be put in force: in the mean time it is also necessary to open a credit for the government, for defraying the public expenses. We cannot but express our regret at being again compelled to have recourse to this provisional measure, which is particularly demanded this year by the necessity of the case. It will be always indispensable until the moment shall arrive for effecting the change in this respect, which is so universally desired.”

The first project of law was read.

LOUIS, &c.

“Art 1. Provisionally, and considering the delay experienced in the completion of the rates of 1821, the first six-twelfths of the land-tax and of

the taxes upon property personal and moveable, and of those derived from windows, doors, and patents, shall be collected according to the rates of 1820.

“ Art. 2. Until the promulgation of the new law of finance, all the other taxes shall be received in 1821, according to the laws enacted for the service of 1820.

“ Art. 3. There is also opened provisionally, a credit of 200 millions, to be divided among the several departments of the ministry, according to the proportions established in 1820.”

The Minister of Finance then addressed the assembly on the subject of the other communication :—

“ Gentlemen—The presentation of the Budget ought to be preceded in every year, by an account of the disposition of the grants made in former Budgets. It is when the Chambers are placed in the situation of ascertaining the proper disposition of former credits, that they are called upon to determine respecting those which are proposed to be opened. Before submitting to you the Budget prepared for the service of 1821, I ought to present to you an account of the state of previous Budgets, determined on the 1st of October last. These are, as you know, divided into two classes; one comprising the space from September, 1801, to January, 1810; the second from January, 1810, to January, 1816.” The minister then developed the amount of the arrears accumulated from these several Budgets, and stated the mode of paying them severally, as was provided in the laws of the last year. He next proceeded to state the circumstances that rendered necessary the establishment of certain credits for the use of the several departments, to cover the arrears of some former years.

“ The expenses of the department of Justice,” he observed, “ cannot be estimated with precision: they exceeded in 1819, by the sum of 547,000 fr. the estimate proposed by the Minister of Finance. The expenses undergone in the course of the same year for the buildings in the *Rue de Rivoli*, surpassed by 208,000 francs, the credit opened for defraying them. The produce of the indirect taxes, and of Salt, and Lotteries, fell short of the estimate at which it had been calculated. To compensate for this deficiency a credit is necessary of 2,396,158 francs.

“ A sum more important is required from you to cover the losses sustained by the Treasury in 1816 and 1817, for the subsistence of the city of Paris; this credit is of the same nature as that of 32,410,000 francs granted in June, 1818, on the Budgets of 1817 and 1818, for similar advances, in which other departments of the kingdom shared. The losses on the subsistence of Paris amount to 24 millions. The city in the year 1812, paid 18 millions of this, by which the Treasury will sustain a loss of 6 millions.

“ A sum of 11 millions will be further necessary for completing the final adjustment of our financial affairs up to the 1st of January, 1820. The actual receipts of the several sources of revenue for the service of the year 1819, fell short of the estimates by the sum of 18,834,000 francs.

“ In fine, Gentlemen, we now propose to you, for regulating the Budget of 1819—

In receipts.....	francs	868,312,784
In expenses.....	....	863,863,539

Leaving disposable the sum of 4,458,745

which will be applicable to increase the reserves of the year 1821, and will

enrich still further the still more abundant resources which the services of the year 1820 will leave disposable."

In the course of some further observations, the Minister said,

"Every thing tends to the diminution of our expenditure. Every department of our public charges is submitted to the very active principle of economy. The funded debt is constantly diminishing by the operation of the sinking fund; the floating debt and pensions by the decease of individuals; the mass of administrative expenses by the daily suppression of those which are not indispensable.

"Perseverance in the system of order and economy, which has produced such happy results, depends for the future upon a will of which we are the masters, since the King has re-established the states of the nation (*les états de la nation*) in their ancient rights, and has constituted them the framers of the public prosperity, in submitting to them the vote of imposing taxes."

The Minister then read the projects of laws for regulating the services of previous years, and opening supplementary credits for arranging them, to the following amounts :

One for supplying certain arrears from 1819	francs	3,223,175
For the Minister of Finance		6,000,000
For the Minister of Foreign Affairs		185,300
For the Minister of the Interior		646,690
The Credit of 36 millions fixed in July, 1819, is		
augmented by		133,678
For the Minister of War		800,000
For the Minister of Marine		11,961

Law for determining the Budget of Expenses and Receipts of 1821.

"Palace of St. Cloud, 31 July, 1821.

"Louis, by the Grace of God, King of France, and of Navarre. To all present and to come. Greeting.

"We have proposed; the Chambers have adopted; we have commanded, and command as follows.

FIRST CHAPTER.

Fixing of the Charge and Expenses for the service of 1821.

Section 1st. *Budget of the Consolidated Debt.*

Art. 1. A vote of credit is opened to the Minister of Finance for two hundred and forty-two thousand six hundred and fifty-four francs of rente, five per Cent. Consols. Viz.

1. For two hundred and forty thousand Francs inscribed on the great book of the Public Debt, with interest from the 22d of March, 1821, previously paid to the Legion of Honour, out of the General Fund of the Budget of the State, as an indemnity for Woods ceded to the domain

240,000

2. To cover the Treasury for an advance made on 5 per Cent. Consols, belonging to it for reimbursements made to French functionaries in Westphalia, for money paid in by them as security to the Westphalian Treasury

2,654

Together 242,654

- Art. 2.** The charge of the Consolidated Debt and of the Sinking Fund, is fixed for the service of 1821, at the sum of two hundred and twenty-nine millions fifty-two thousand, seven hundred and sixty-four Francs. (229,052,764 fr.)

Section 2. General Expenditure of Service.

- Art. 3.** Votes of credit are opened to the amount of six hundred and fifty-three millions one hundred and eighty-two thousand five hundred and ten francs. (653,182,510 fr.) On account of the general expenditure for the service of 1821, to be applied as follows.

To General Expenses	516,311,225
To Charges of Administration, management, collecting and losses on direct and indirect Contributions	131,601,285
To Reimbursement and Restitutions to be made to the tax payers on the gross proceeds of the said Contributions	5,270,000
Together	<u>653,182,510</u>

2d. CHAPTER.

Receipts for the Service of 1821.

Section 1. Sundry Duties and Receipts.

- Article 4.** The disposition of the laws not rescinded by the present and which now govern the collection of the duties of registration, stamps, mortgages, passport and licences for fire arms; Custom-house duties including the tax on salt, the indirect contributions, post-offices, lotteries, coins and guarantee duties. The tax on patents, the duties charged for verifying weights and measures; the tenths on tickets of admission at public theatres, the quarter on the gross receipts made at all public assemblies and festivals where money is taken for admission, and of one decime per franc on such of those duties which are not exempt from it, are and remain in full force.

The law of 29 March, 1798 (9 Germinal year 6,) respecting lotteries, is to continue to be executed according to its form and tenor.

- Article 5.** The allowance to be made to wholesale dealers in fermented liquors, according to the 87th article of the law of 25 March, 1817, shall be regulated as regards wines, beginning at the present quarter, as follows:

On new wines for the October and January quarter following the vintage, three per cent.; on the same wines for the April and July quarters of the first year, and on old wines for all the following quarters, one and a half per cent.

- Article 6.** Independently of the stamp duties, to which the public journals are subjected by the 70th article of the finance law of 28 April, 1816, one and half centime per half sheet on those printed at Paris, and one half centime on those printed in the departments, shall continue to be raised as before.

- Article 7.** The Government is authorised for one year to continue conformably to the law of 4 May, 1802, (14 Floreal year 2,) to establish tolls in case they shall be deemed necessary, for the construction and repairs of bridges, locks, or works of art, at the charge of the State, the Departments and the Communes.

- Article 8.** The proportionate drawbacks on emoluments and salaries as fixed by the laws of 28 April, 1816, and 25 March, 1817, shall continue to the 1st July, 1821.

Article 9. The emoluments of the agents of the Ministry of Foreign affairs, shall continue exempt from this tax, whilst they reside out of the kingdom.

Article 10. The mine dues shall continue to be collected according to the existing laws.

Article 11. The special assessments laid on to defray the expenses of Exchanges, chambers of commerce, as well as the revenues affected to these institutions and infirmaries, shall be collected as heretofore, according to the mode fixed by the 1st head of the law of 23 July, 1820.

Article 12. Shall also continue to be collected.

1. The dues settled by the 16th article of the letters patent of 10 February, 1780, and the 42d article of the Government edict of 25 thermidor, year 9, (13 August, 1803,) for the expenses of inspecting chemists, druggists, and grocers shops; but grocers not selling drugs employed in medicine shall not be subject to that charge.

2. The several contributions imposed upon private establishments of education and on pupils frequenting the public ones on behalf of the University.

3. The taxes collected with the sanction of the Government, for the preservation and repairs of dikes and other public works, as also for draining of lands authorised by the law of 16 Sept. 1807.

4. The sums collected from the Jewish communities for the support of their Rabbis, and other religious charges, only however after the *roles* drawn up in the form prescribed by the decree of 10 December, 1806, shall have been executed by the prefects of departments.

Article 13. The contributions, taxes, and duties preserved by this enactment, shall continue to be collected till the 1st of April, 1822, without prejudice to the due execution of the established laws for the exclusive manufacture and sale of gunpowder and tobacco.

The former shall continue also to be sold till the 1st of April, 1822, at the prices fixed by the law of 16 March, 1819.

2d Section. *Of Direct Taxes.*

Article 14. The amount of land tax assessed in 1820 on forests and other descriptions of property, which have become taxable by any law whatsoever shall, for 1821, be added to the contingents of each department, district or commune.

Article 15. The forests and other property not comprised in the private assessments of 1820, and which would ultimately cease to form part of the national domain, or would become taxable upon any other grounds, shall be charged as any other forests and properties of the same description, according to a form made out in the accustomed manner.

Article 16. With respect to other descriptions of landed property, which having belonged to private individuals, shall pass into the national domain or come into the dotation of the crown, and of property not built upon, which from any other cause should cease to be taxable, and become upon that ground exempt from the land tax; the communes, districts and departments where they are situated shall be liberated from the land tax, to the full amount they bore in their taxable quality.

Article 17. A *dégreèvement* of nineteen millions six hundred and seventeen thousand two hundred and twenty-nine francs, eighty centimes, is granted on the principal land tax, and six millions eighty-eight thousand and six francs on the additional centimes.

This *dégreèvement* to be apportioned between the fifty-two departments stated in the accompanying table, conformably to the shares thereon indicated.

A further reduction of five centimes, amounting to seven millions seven hundred and thirty-three thousand nine hundred and six francs, fifty-eight centimes, is granted on the same additional centimes, which reduction is applicable to all the departments.

Article 18. The above *degrèvements* and reductions shall only commence on the 1st of July, 1821, and only one half of the amount shall be included in the assessments of the year 1821.

Article 19. The basis prescribed by the 38th article of the law of 15th May, 1818, for ascertaining the value of the taxable revenues of the departments shall be equally applied to the communes and districts by a special commission to be formed in each department. The result will serve as a reference to the general assemblies of the departments and communes for fixing the contingents of the districts and communes.

Article 20. The operations of surveying intended to rectify the individual apportionments shall from the 1st of January, 1822, be circumscribed to each department.

The general assemblies will in consequence be able to vote annually for that purpose, an amount of taxes which shall in no case exceed three centimes of the principal of the land tax.

Article 21. Independently of the centimes voted by the general assemblies, a fund shall be raised annually for the purpose of being distributed in the departments in the proportion to the sums voted by the general assemblies, to be applied to the relief of those whose private means should not be adequate to the expense the work should require.

Article 22. The amount of receipts and disbursements incidental to the survey, shall be submitted annually to the general assembly by the prefect.

Article 23. The taxes on persons and moveables, on doors and windows, and on licences, (*patentes*), shall be collected in 1821 on the same footing as in 1820, with regard to the principal and additional centimes.

Article 24. A plan for a new modification of the tax on personal and moveable property, shall be presented to the chambers as soon as the result of the work undertaken by virtue of the law of 23 July, 1820, shall be complete; and submitted to an inspection which will ensure its exactness.

Article 25. The contribution of non-commissioned officers to the tax on persons and moveables, shall continue to be collected conformably to the 30th article of the law of 23 July, 1820, and deducted from their pay.

Article 26. In consequence of the *degrèvements*, and reductions granted by article 17, the land tax, the tax on persons and moveables, that on doors and windows, and on licences, shall as well as regards the principal as the additional centimes, be collected for the year 1821, conformably to the annexed statement D.

The contingents of each department in the land tax, the tax on persons and moveables, and on doors and windows, is fixed for the same service at the sums mentioned in the general apportionment in the annexed statement E.

Article 27. The collecting shall continue to take place upon the assessments of 1820, as is prescribed for the first six months by the law of 13 January, 1821, until those of the present year shall have been completed.

Section 3d.

Funds intended for the Expenses of the Departments.

Article 28. Eighteen and one tenth centimes shall be levied on the amount of the additional centimes on the land tax, for the expenses of the departments fixed, common and variable.

These centimes to be divided in manner as follows.

1. $6\frac{1}{10}$ centimes shall be paid into the Royal Treasury, at the disposal of the minister of the interior for the payment of fixed charges common to several departments, hereafter mentioned, namely.

Salaries of the prefects, under-prefects, secretaries, and *conseillers de prefecture*.

Subscriptions of the prefectures and under-prefectures. Ordinary expenses of the central houses of detention, and indemnities to the departments against the expenses for criminals condemned to be imprisoned one or more years, and who remain in the prisons of the departments from want of room in the houses of detention.

For the repairs of the building and furniture of the central houses.

Erection of the Royal Courts.

Ordinary expenses, other than personal, of the clergy, charged to the departments composing the dioceses.

Infirmaries.

2. $6\frac{4}{10}$ centimes to be paid into the chests of the receivers general of the departments, at the disposal of the prefects, to be laid on by their order in the variable charges hereafter named.

Rent and taxes of the hotels of prefecture, repairs and renewals of the furniture.

Ordinary expenses of the prisons in the departments.

Houses for the reception of mendicants, their workshops and assistance.

Barracks for the Gendarmerie.

Rents, furniture and other expenses of courts and tribunals.

Works at the buildings of the prefecture, tribunals, prisons, dépôts, barracks, and other departmental edifices.

Works at the highways of the departments, and others of local interest not included in the budgets of bridges and causeways.

Foundlings and forsaken children, without prejudice to the rates of the communes either by a contribution proportioned to their income, or by an apportionment proposed by the general assembly, with the advice of the prefect, and approved by the minister of the interior.

Rewards and assistance to the nurseries, agricultural societies, veterinary artists, midwifery, and others.

Complements of expenses incurred and not paid for, on the preceding services.

Sundry expenditures of every description.

The above variable expenses shall be determined in a budget prepared by the prefect, voted by the general assembly, and approved by the minister of the interior.

The remaining five centimes shall be paid in the royal treasury, under the head of *fonds commun*, common fund, and kept at the disposal of the minister, secretary of state, for the interior, and be applied to the relief of such departments when the variable expenses shall exceed the amount of above $6\frac{5}{10}$ centimes.

Article 29. One centime raised on the *fonds de non-valeurs* of the land tax of persons and moveables, shall continue in 1821, to be affected to the

general aid, and apportioned between the departments in cases of hail storms, fires, floods or other casualties.

Article 30. The general assemblies may further, with the approbation of government impose, for purposes of provincial utility, taxes the amount of which shall in no case exceed five centimes of the principal of the land tax, and of the tax on persons and moveables of 1821, the locality of which must always be conformable to the resolutions of the general assembly.

Article 31. After the discharge of the war expenses of 1813 and 1814, what will remain unappropriated of the thirty millions of *valeurs d'arriéré* affected to these expenses by the laws of 25 March, 1817, and 15 May, 1818, shall be available together with the means indicated by the law of 28 April, 1816, to emancipate the departments of the debt incurred by the military occupation of 1815.

Section 4. *Funds affected to the Service of the Consolidated Debt, and the Sinking Fund.*

Article 32. The net proceeds of the registration duty, stamps, and other accessory duties, as also those of the domains and forests, the net produce of the customs and of the tax on salt, are specially appropriated to the service of the constituted debt and of its redemption.

Article 33. That portion of the above net proceeds which may remain over after the discharge of all the payments relative to the service of the constituted debt, shall be added to the other ordinary revenues of the state in discharge of the general expenses of the state.

Section 5. *Of the Receipts for the Service of 1821:*

Article 34. The budget of receipts is fixed for the service of 1821, at the sum total of eight hundred eighty-nine millions twenty-one thousand seven hundred and forty-five francs, (889,021,745 fr.) conformably to the annexed statement F.

Section 6. *General Dispositions.*

Article 35. All direct or indirect contributions other than those authorised by the present law, upon whatsoever account and under whatever denomination they may be collected, are formally interdicted under pain against those authorities who might order them, such functionaries who might make the assessments, and against those who might collect them of prosecution, without derogating however to the articles 4 and 6 of the law of 28 April, 1816, relative to extraordinary contributions to reimburse the expenses of the military occupation of 1815, and of the articles 39, 40, 41, 42 and 43, of the law of 15 May, 1818, relative to the extraordinary expenses of the communes.

The present law having been discussed, debated and adopted by the chamber of Peers, and by that of the Deputies, and sanctioned by us this day, shall be enforced as a law of the State. We will in consequence that it be kept and observed throughout our kingdom, lands and counties under our sway.

So we give and command to all our courts and tribunals, prefects, administrative bodies, and all others, that the presents they keep and maintain, have kept observed and maintained, and to make them more known to all our subjects, they have them published and registered wheresoever need may be; for such is our pleasure, and in order that it may be a thing stable and for ever, we have had it stamped with our seal, &c.

**GENERAL BUDGET OF EXPENDITURES AND SERVICES FOR THE
SERVICE OF 1821.**

Budget of the Consolidated Debt and Sinking Fund.

RECONNOISSANCES DE LIQUIDATION

issued on the 1 Jan. 1821. 270,442,825

to be still issued 29,557,175

300,000,000

Deduct $\frac{1}{2}$ paid off 22 March, 1821 .. 60,000,000

Remaining bearing interest. . . . 240,000,000

Interest for the year expiring 22 March, 1821 . . . 7,500,000

„ on those remaining 22 Sept. „ . . . 6,000,000

Total interest on Reconnoissances **Francs**
13,500,000

FIVE PER CENT. CONSOLIDATED ANNUITIES.

Inscribed on the 1 January, 1821 . . 173,052,947

Remaining to be inscribed by estimate 4,776,982

Total of Rentes inscribed and to be
inscribed 177,829,929

Of which payable on 22d of March, 1821 86,637,800

„ „ 22d of Sept. 1821 88,914,964

175,552,764

Appropriation for the Sinking Fund 40,000,000

Total 229,062,764

General Budget of Expenses and SERVICES.

Presumptive
Amount of Expenses.

Civil List francs 25,000,000

Royal Family 9,000,000

34,000,000

Administration.

Presidency of the Council of Ministers (salaries and expenses
of Departments) 180,000

Justice, including a provisional vote of credit of 2,520,000
francs for judicial expenses 17,879,500

Foreign Affairs 7,855,000

Home Department.

Ordinary service 10,426,800

Public worship—Clergy* 22,900,000

Other than Roman Catholic† . . 550,000

23,450,000

Public Works, Bridges, Highways, &

Mines, including special funds . . 30,000,000

At Paris 1,400,000

In the Departments 2,206,691

33,606,691

* Including 100,000 francs granted to the *Communes* for the repair of their churches.

† Including 50,000 francs for the repair of Protestant churches.

Expenses of the Departments	34,137,272	
Aids to be granted for accidents by fire, storms, and other casualties	1,886,037	
		36,023,309
Secret services and others on the proceeds of the farm of Games	5,500,000	
		109,006,800
<i>War Department.</i>		
Active Service	164,356,600	
Temporary expenses	10,380,000	
		174,736,600
<i>Navy.</i>		
General Service	47,022,000	
Colonies	5,958,000	
		52,980,000
<i>Finance Department.</i>		
Life Annuities	10,800,000	
Pensions—Civil	2,150,000	
Military	50,000,000	
Clerical	10,150,000	
Supplementary	1,664,725	
		63,964,725
Interest on money deposited as securities	10,000,000	
Charges for services rendered and negotiations.		
Services at the Treasury ...	4,200,000	
Negotiations, discounts, in- terests & floating debt ..	6,400,000	
Interests to the receivers general and special, on their payments by anticipation on direct contri- butions	3,400,000	
		14,000,000
Special credits for the interests on the hundred millions paid to foreigners	4,500,000	
		103,264,725
Chamber of Peers	2,000,000	
Chamber of Deputies	800,000	
Legion of Honour, Rente payable on the proceeds of the registration and domains (240,000 fr.) of which it is proposed to grant inscriptions with interest, from 22 March, 1821, being 2 months and 21 days	54,000	
Supplementary dotation for 1821 ...	3,400,000	
		3,454,000
		6,254,000
Court of Accounts	1,242,600	
Administration of the Mint	606,000	
Committee of French Liquidation	66,000	
Survey of Lands	2,000,000	
		3,914,600
Ministerial salaries		6,240,000
Total francs..		516,311,225

Charges of Management, Collection, Administration, incidental Losses, Reimbursements, and restitutions to Contributors.

Financial Administration.

		Assumed Amount of Expenses.
Registration and Domains	francs 11,634,700	
Forests	3,384,200	
<i>Customs.</i>		
Management and Collecting	22,816,300	
Allowance of 2 p. ct. on the Salt duty	900,000	
Penalties and Seizures, assumed at ..	2,000,000	
		25,716,300
<i>Indirect Contributions.</i>		
Management and Collecting	20,517,700	
Manufacture of Tobacco	23,345,600	
" and sale of Gunpowder	2,165,000	
Taken on the proceeds of penalties..	1,350,000	
Advances to be reimbursed	670,000	
		48,048,300
Post-office	11,944,130	
Lottery—Management	1,659,750	
Allowance of 6 per cent. to receivers at the offices	3,420,000	
		5,189,750
<i>Direct Taxes.</i>		
Losses, non-valeurs on the four direct species of taxation	5,291,930	
Charges of collecting same	18,941,975	
		24,233,905
Allowances and deductions to the general and special receivers on the indirect tax and the sundry receipts	1,500,000	
		131,601,285
<i>Reimbursements and Restitutions for too much Received.</i>		
Ministry of Finance	400,000	
Registration and Domains	1,300,000	
Forests	50,000	
Customs	3,000,000	
Indirect contributions	174,000	
Post-offices	346,000	
		5,270,000
	Total francs..	136,871,285
<i>RECAPITULATION OF EXPENSES.</i>		
Consolidated and Sinking Fund	229,052,764	
1. General service	516,311,225	
2. Charges of management, collecting, &c.	136,871,285	
		653,182,510
Public instruction	2,170,400	
General directorship of Gunpowder & Saltpetre..	3,289,489	
		5,459,889
	Grand Total....francs	887,695,163

GENERAL BUDGET OF INCOME OF THE STATE FOR THE SERVICE OF 1821.

Proceeds appropriated to the Consolidated Debt.

	Assumed Proceeds.
Registration, Stamps, and Domains, (gross proceeds, including 1,300,000 of restitution)	157,800,000
Produce of the Forests for 1821, (gross proceeds, including 50,000 francs <i>de restitution</i>)	18,500,000
<i>Customs and Salt Duties.</i>	
Customs	73,000,000
Salt duties	49,000,000
(Gross proceeds comprising 3 millions of <i>restitution</i>)	122,000,000
Assumed proceeds of penalties and seizures	2,000,000
	124,000,000
Total francs	300,300,000

Proceeds appropriated to the general Expenses of the State.

Eventual excess of the foregoing proceeds of the Consolidated Fund.

Indirect Contributions.

General duties (gross proceeds, including 174,000 francs of <i>restitution</i>)	123,500,000
Proceeds of Tobacco, ...	64,000,000
Proceeds of Gunpowder	3,500,000
<i>Recouvrement d'avances</i>	675,000
Penalties and Seizures	1,350,000
	193,025,000
Post-office, (gross proceeds, comprising 346,000 fr. <i>restitution</i>)	24,310,000
Lotteries	15,000,000
Drawbacks of salaries	2,800,000
Payment into the Treasury by the City of Paris in pursuance of the Law of 19th of July, 1820	5,500,000
Miscellaneous—Salt Works of <i>l Est</i>	2,400,000
Produce of India	1,000,000
Various receipts	1,390,745
Arrears of Rentes and interest on Public Funds belonging to the Treasury	11,837,255
	16,628,000

Direct Contributions.

Principal and additional centimes	311,454,025
Centimes of collection	15,545,975
	327,000,000
	584,263,000
Carried over to the Budget of 1821 the excess of the receipts of 1819	4,458,745
	588,721,745

RECAPITULATION OF RECEIPTS.

Consolidated Fund	300,300,000
Proceeds appropriated to general purposes	588,721,745
Assumed amount of proceeds affected to the Budget for the service of 1821.....	889,021,745
Income of public instruction	2,170,400
General direction of Gunpowder and Saltpetre	3,289,489
	5,459,889
Grand Total....francs	894,481,634

RESULT.

The presumptive receipts are francs	889,021,745
The expenses	„ 882,233,274
Excess of receipts ...francs	6,786,471

The total amount of the proposed annual *Dégrèvements* from the 1st of July, 1821, is as follows :

Territorial Revenue of all the Departments in 1820..francs	1,580,597,000
Original amount of the Land Tax.....	„ 168,207,255 40
Contingents for 1821, established by the new proportion	154,678,130

Dégrèvements.

Principal.....	13,529,123 80
45 additional centimes thereon	6,088,106 —
five centimes granted to the Departments on their contingents for 1821	7,733,906 58
Total <i>Dégrèvements</i>	27,351,136 38

Royal Ordinance.

Our Minister of Finance is authorised to proceed to the sale by public competition and sealed tenders, to the company which shall offer the highest terms of the 12,514,220 francs of Rentes in the 5 per cent. Consols, belonging to the Royal Treasury and proceeding from,

1. Balance of the loan of 16,600,000 francs of Rentes opened for the service of 1818 by the laws of the 6th and 26th May, 1818, and made applicable to the service 1819 by the law of the 28th May, 1820 francs 1,674,500.

1. Portion of the loan opened by the law of the 6th of May, 1818, made applicable by the 5th Article of Convention, of the 9th of October, 1819, to the payment of the 100 millions, and restored the 1st of June, 1820, in execution of the convention of the 2d February, 1819. francs 6,615,944
3. Stock redeemed in 1818 „ 2,929,000
4. One-third of the loan of 3,884,378 fr. made applicable to the payment of Annuities by the law of the 8th of March, 1821, to liquidate the two first-sixths becoming due in 1821 and 1822 „ 1,294,776

Total 12,514,220

The contract took place at Paris on the 9th of August. The respective tenders when examined, were found to be as follows :

Delessert, Baguenault & Hottinguer	85.55
Sartoris & Greffulhe	84.60
Rothschild & Lafitte	84.26
Ricardo & Groves	84.02½

payable in 15 months by monthly instalments of 1-15th each, commencing on the 6th October, 1821, and finishing on the 6th of December, 1822.

Substance of the Speech of the French *Minister of Finance* on presenting the Budget for 1822.

CHAMBER OF DEPUTIES—Sitting of Nov. 27.

“ Gentlemen—the King has desired that the Budget for 1821 should be submitted to you immediately after the Chamber should be constituted, and could receive it. We have the honour of presenting it.

“ The Budget is no longer a task laborious to those who execute it, or disquieting to those who listen to it; the promptitude with which we present it proves that our affairs are in order, and that little time is necessary to state all that we have to pay, and all that we have to receive.

“ Nothing extraordinary will occur to embarrass our expenditure, or to introduce uncertainty in the sufficiency of our resources.

“ We shall divide the Budget of 1822 into five great sections :—

1. The public debt and Sinking Fund inseparably connected with it.
2. The Civil List, or charges of the throne and Royal Family.
3. Life Annuities, and pensions of every nature.
4. The expenses of the different departments of the administration.
5. The expenses of collecting the direct taxes, and of the Financial boards.

“ We proceed to pass in review each of these principal divisions, and their most important subdivisions of the finances.

“ The charge of the consolidated debt is 228,864,560 francs, and presents, comparatively with the sum which the Budget of 1821 assigns to the same service, a diminution of 188,204 francs, notwithstanding an augmentation of 1,080,370 francs necessary for half a year of the new *rentes*, which have taken, and will take the place of the interest of the 1st and 2d fifth of the reconnaissances of liquidation, and for a half year of inscriptions required for the liquidation of the arrears previous to 1810. This increase of 1,080,370 francs is counterbalanced by the non-payment of 1,268,574 francs, making part of 1,468,574 francs of *rentes* of the ancient domain extraordinary, of which 1,068,574 francs have been extinguished on the 22d of September last, and of which 400,000 francs will be cancelled on the 22d of March next, in

execution of the law of the 26th of July, 1821 The account which presents the charges of the consolidated debt for 1822 explains its variations. They have all been foreseen and provided for by laws.

“ The charge of the Civil List and of the Royal Family, fixed at 34,000,000 francs, is placed beyond discussion.

“ The Annuities and Pensions inscribed are susceptible of as little. They partake of the inviolability attached to the consolidated debt.

“ The Annuities carried to the Budget of 1821 for 10,800,000 francs, are included in the Budget of 1822 for 10,400,000 francs. The extinctions are presumed to be 400,000 francs.

“ We estimate at 1,342,925 francs the diminutions which we expect upon the Pensions, whereof the sum total of 62,621,800 francs will be augmented for 1822, conformably to the dispositions of the law of the 26th of July last, by the sum of 1,800,000 francs, for the dispossessed French Donatories. But this addition is counterbalanced by the cancelling of 1,468,574 francs of Annuities which belonged to the ancient domain extraordinary, and by the cancelling of those which will be successively acquired with the resumption of the revenues of this domain and the produce of the sale of its estates. As in 1821, the credit demanded for the supply of the funds for the support of the Legion of Honour, is 3,400,000 francs, and 10,000,000 francs for the discharge of the interest on money deposited as securities.

“ All the charges, gentlemen, which we have thus far submitted to you, amount to the sum of 351,086,360 francs. They are necessary; they may experience some variations, but are not susceptible of any diminution on the part of those who administer them.

“ The charges of Administration are of a different nature. It is useful sometimes to contract and sometimes to extend them, in proportion as the services which they pay may deserve the cost, for on the exactitude in this proportion depends whether an expense is profuse or not.

“ Among the items of increase some are necessary, and required by the laws which established them.

“ Others are salutary for their reproductive or conservative results.

“ A third class is demanded by political circumstances of higher importance than the saving of them would be: the different charges of Administration, will exhibit, in some instances, augmentations, and in others reductions.

“ The Presidency of the Council of Ministers remains fixed at 180,000 fr.

“ The Ministry of Justice would not have required more than 17,879,500 fr. as in 1821, if the law of the 31st July last had not added a seventh Chamber to the Tribunal of First Instance, in Paris; and if, consequently, it had not been necessary to augment the number of counsellors and officers in the Royal Court of this Capital.

“ The Ministry for Foreign Affairs requires an increase of 15,000 fr. over the Budget of 1821, which carries the total charge to 7,870,000 fr.

“ The Ministry of the Interior, the expenses of which are more uncertain than the rest, requires an augmentation of 3,145,814 fr. which increases its charge to 112,085,000 fr.

“ Of this augmentation the execution of the late laws concerning the clergy, the canals, and the Port of Dunkirk, absorb 1,500,000 fr. The expense incurred for the encouragement of the fisheries, for improving the breed of horses, and for the departments, requires 625,979 fr. and the remainder is appropriated to the public works, the prolonged imperfection of which, in the face of so many private edifices which are completed in one year, would authorize, against the government, a charge of carelessness or want of power.

“ The department at the War Ministry would have incurred a considerable

augmentation for 1822, the year in which the troops receive their new clothing, if, in its contracts for subsistence and forage, this department did not hope to make savings, which will in great measure counterbalance this charge. The increase necessary, therefore, is limited to 1,735,400 fr. which carries the charge of that department to 176,472,000 fr.

"The Ministry of the Marine, whose vote of credit in 1821 was limited to 52,980,000 fr. demands an increase of 7,020,000 fr. for the year 1822. Nobody has denied the necessities of this department, which, for too long a time, has wanted the requisite means, not only to restore its *matériel*, but even to preserve that which remained. If the French marine, by the peace, has been relieved from the necessity of supporting a warlike attitude, it cannot renounce the duty of preserving one of observation and assistance, both in our ultramarine establishments and in the seas where the absence of our flag would compromise the interests or the safety of the King's subjects. The augmentation required by this department will be appropriated to the double purpose of putting our ships in a state of complete repair and equipment, and of enabling us to send succour to all parts of the world, where our commerce or the interests of humanity demand protection.

"The Ministry of Finances presents a reduction of expense principally as regards the charges of negociation and those of the central administration. A sum of 50,000 fr. is proposed in aid of the reconstruction of the mint of Nantes.

This is only the carrying into effect a credit obtained in 1819, which, not being employed in that year, must have been annulled by the law of last April 23, relative to the definitive settlement of the Budget of 1819. The survey for determining the land-tax is only estimated in the expenses at 1,000,000 fr. and the charge for the collection of direct taxes presents a diminution of 774,205 fr.

"To sum up this section, the Budget of 1821 assigns for the charges of collection and administration a sum of 136,871,285 fr. whilst that of 1822 amounts to 138,846,880 fr. being an excess in the latter year of 1,975,595 fr. This difference, for the most part, should not be considered as an increase of charge; it arises principally from an increase of 1,200,000 fr. for the purchase of tobacco, which will be returned with a profit, and one million for bounties on exportation.

"The sum total of the general Budget of expenditure amounts to 889,541,340 fr. and presents an increase of 7,306,066 fr. only over the Budget for 1821.

"The charge of the Marine alone, of which you know the urgency, absorbs this sum; and we have found in the reductions the means of supplying other services with more than ten millions, both in order to comply with the laws creating new charges, and for aiding the different necessities which I have mentioned.

"After having enumerated the charges of the State, we must now, Gentlemen, present a view of the resources by which they are to be met.

"The estimates drawn up for 1822, of the different products of taxation, differ very little from those of 1821; and the realization of their amount, according to the calculation then formed, gives the best assurances with respect to their future productiveness.

"The Administration of the Domains and Forests, the income of which has been estimated for this year at 176,300,000 francs, permits us to hope for an increase of 365,000 fr. for 1822. The produce of the customs, salt duties, and indirect taxes, is estimated as in 1821. The produce of the post duties is estimated at 410,000 fr. and that of lotteries at 1,000,000 fr. short of the last year.

“ The drawbacks on salaries, which figures at 2,800,000 fr. in the Budget of 1821, was part of the relief granted to the public by the law of July 31, and cannot be reckoned at more for 1822. The relief of a half, granted from the land-tax in 1821, and continued in 1822, will establish in our receipts a diminution of 13,675,568 fr.

“ Finally, the Treasury which enjoyed *rentes*, the dividends of which entered into the estimates of 1821 at 11,219,444 fr. will not have the benefit of this resource for the service of 1822. The sale, Gentlemen, which the Treasury has made of these *rentes* leads us to speak of two operations, the results of which are connected in too many ways with the Budget for us to postpone all mention of them till we can present the accounts. You know, that the law of March 8 last opened for the payment of the first fifth of the *reconnaisances* of liquidation estimated at 60 millions, a credit of *rentes* amounting to 3,884,328 fr. at the medium rate of 77 fr. 23½ cents. and had authorized at the same time the issuing of 60 millions of annuities, payable in six years, at the rate of 10 millions a year. Re-payment was offered to the holders in money or in annuities, at their option. There was taken in money a sum of 1,030,895 fr. and in annuities a sum of 54,913,819 fr.

“ The surplus of the credit of 60,000,000 fr. was reserved to discharge in money the fifth of the ordinances issued by ministers subsequent to the 30th of June.

“ On the credit in *rentes* opened for the reimbursement of the first fifth of *reconnaisances* only two sixths, namely 1,294,776 fr. for the discharge of the first two sixths of the annuities were included in the sale of the 9th of August.

“ Great advantages have been obtained to the Treasury by the successive negotiation of the securities they possessed. On them has fallen the duty of providing for the payment in specie of very considerable sums; such as 100,000,000 fr. to foreign powers; 60,000,000 fr. for the reimbursement for the 1st fifth of the *reconnaisances*, and for the four other fifths in succession. The treasury was rich in securities; but it was prudent before putting them in circulation to provide for present wants, and to guard against any future deficiency in funds to conduct the operations intrusted to them.

“ Their success has corresponded with their expectations. 12,514,220 fr. of *rentes* belonging to the Treasury were publicly sold on the 9th of August last, and the produce of this negotiation will be 214,118,303 fr. but as the *rentes* sold represented in the Treasury a sum of only 182,862,412 fr. the advantage to them by the transaction will be 31,255,891 fr.

“ The position of the Treasury is henceforth changed. Disengaged for a long time to come from every species of inconvenience, it is no longer necessary to have recourse to the issue of extraordinary securities for the public service, and this consideration has determined them to pay the *reconnaisances* of liquidation in money.

“ For the repayment of the second fifth of the *reconnaisances* there will only be demanded in *rentes*, a credit of 3,400,000 fr. and this credit will not be definitively fixed until the average price of the *rentes* for the last six months of 1821 can be ascertained.

“ Finally, Gentlemen, the proposed Budget presents in receipt the sum of 890,000,033 fr.; in expenditure the sum of 889,541,340 fr.; and consequently, the probable receipts exceed the presumed exigencies of the State by the sum of 458,693 fr.

“ This reserve would be small and insignificant, if it was limited to this sum; but it will be increased by the excess of resources which will result from the regulation of the Budget of expenditure, which we may estimate at 30,000,000 fr. Nothing is exaggerated in the estimates which we have presented to you. A rate

of expenditure which in time of peace amounts to 890,000,000 fr. may nevertheless excite some astonishment. Without denying that by time, and a consistent system of order and economy, reduction may be effected, we shall be less surprised at its magnitude, if we consider it comprises more than 40,000,000 of extraordinary and temporary charges, which will successively disappear, and that the budget, which conceals no expense, contains important articles which did not appear in it before, such as the expenses of collecting the taxes, the produce of gambling, &c., which form a mass of 150,000,000.

“Add the sinking fund, a tutulary expense, which in our system takes the character of an annual saving of 40,000,000, already raised to 63,000,000, which forms a resource to protect the honour of the State from a breach of the law.

“The budget has even in its enormity something pleasing to the national pride, in the thought that it could be maintained at this elevation without depriving the King of the power of remitting 34,000,000 of taxes.

“Such a result at the termination of calamities, which in any other country an age would scarcely be sufficient to efface, evinces among us resources triumphant over the most adverse situations. What other nation besides France would be able, after what she has suffered, even up to 1818, by war and other unhappy circumstances, to present in three years the spectacle which she this day offers? Her political engagements punctually fulfilled; her territory free and tranquil; her commerce and industry increasing in activity; her treasury always full; her securities advancing to *par*; all her capital in employment, whether to acquire, to construct, to repair, or to give an impulse to works of public utility. Finally, under the auspices of the Royal Government, affairs both public and private assume a firm position, the happy result of a peace whereof all the world has felt the want, and will now reap the advantages.

“The spirit of order and good faith which governs our financial legislation, the probity with which public engagements of every nature are fulfilled, the abundance of capital which it reproduces continually in circulation, and the progressive clearness of the public accounts, inspire a confidence which descends to the direct creditors of the state; from them to all those with whom they have transactions, and from these is diffused through all classes of society. The general comfort which results from these ameliorations, and the satisfaction to you of having co-operated in doing so much good, is the guarantee of your perseverance in the same principles, and of the constant conformity of your sentiments with the intentions of the king.”

Louis, &c.

“1. Article (additional to the law project) a credit in rentes of 3,418,958 fr. with interest from 22d March, 1822, is opened to the Minister of Finance in 5 per cent. annuities.

“Said inscription, representing at 87-74½, average price of the 5 per cent. in the last six months of 1821, a capital of 60 millions is specially devoted to the reimbursement in money of two-fifths of the *reconnaissances de liquidation*, valued at a similar amount.

“2d. (In substitution of the 1st article of the same law project of 31st October). By virtue of the credit opened in the preceding article, the expenses of the consolidated debt and Sinking Fund is fixed for 1822 at the sum of 228,874,030 francs.

" 3d. (In substitution of the 2d article of the same law project). Credits are opened to the amount of 672,850,714 fr. for the general expenses of the service of 1822, namely, for the general expenses, 534,003,834 fr.; charges of management, manufacture, &c. (as in the law project) 130,532,880 fr. reimbursements and restitutions, 6,314,000 fr.

" 4. (In substitution of the 14th article of the law project of 31st October) the Budget of receipts is fixed for 1822, at the sum total of 900,000,033 fr.

Given, &c. 9th January, 1822.

Signed, Louis."

SINKING FUND.

Extract of the *Count Mollien's* report in the sitting of 6th March, 1820.

In the year 1816, the Sinking Fund only amounted to the capital sum of 20,439,724 fr. 42 centimes, and the stock redeemed 1,782,765 fr. rentes, but in 1817, a larger sum appropriated to this fund, enabled it to purchase 3,322,144 fr. rentes, with a capital of 4,308,494 fr. 66 cent.

In the year 1818 the sums placed at its disposal were augmented by the sale of some woods, and 51,832,333 fr. 85 were employed in redemption, producing an additional amount of 3,675,682 fr. rentes. Finally, during the year just gone by, this fund has been able to dispose of a capital sum of 67,094,882 fr. and the annuities purchased from the 1st of January to the 31st of December, 1819, amounted to 4,854,776 fr.; hence in the space of four years this fund has appropriated 13,635,297 fr. of rentes in inscriptions, in the name of the fund and become inalienable according to the provisions of the law : the average prices of these different purchases have not fluctuated during the four years beyond 57.30 to 70.51, whilst the average for the year 1819 was rather below the latter price, being 69.10.

The 67,094,882 fr. laid out in the purchase of rentes in 1819, were paid for out of the following proceeds :—

1. Annual appropriation assigned to the Sinking Fund out of the receipts of the Treasury.....	fr. 40,000,000
2. Dividends on Stock bought before the 2d of February, 1819.....	10,991,173
3. Proceeds realized out of the sale of Woods in the same year	16,103,710
making together.....	67,094,882

The sums at the disposal of the Sinking Fund in the three preceding years amounted to

115,357,004. 93

with which sum the Commissioners have purchased the above amount of 13,633,297 rentes, valued in the engagements of the Treasury at the capital of

182,451,386. 93

272,705,940

thus constituting to the State a clear profit of 90,254,053. 07

The Count proceeds to state, that should the progress of the Sinking Fund continue for ten years upon the same scale as in 1819, it will have redeemed in 1829, 78,192,227 fr. of rentes, supposing that by the year 1825 the price of the rentes had arrived at par.

He further adds with regard to the sale of the woods, that at that period only 55,902 hectares, out of 80,000, for which offers were made, had been disposed of, which produced 37,564,730 fr. 84, though only valued at 32,814,354 fr. of the aforesaid proceeds only 23,009,498 fr. 10 c. was paid; the purchasers, being at liberty to complete their purchases within thirty months. Should the 94,008 hectares remaining to be sold upon the same terms as those already disposed of, the Sinking Fund will experience an increase of 63 millions, but in that case the intention of the law of 1817, to assist the fund during the first six years of its establishment, with the proceeds of 150,000 hectares of wood, would not be fulfilled, since, should the purchase money of the 94,008 hectares not be wholly paid till at the end of four years, there would remain 25 millions of francs to be received in 1824.

It is further observed, that although the selling price of this description of property had experienced a considerable depression throughout the kingdom, the rates at which the first sales made on account of the Sinking Fund, did not vary materially from those of the latter ones, the former averaging 785 francs per hectare, whilst the latter were not under 670 francs.

Should the Sinking Fund at the end of 1823 have disposed of 150,000 hectares of wood; it will not amount to more than three twenty-fifths of 1,262,789 hectares, composing the forests of the State.

Caisse de Dépôts and Consignations.

This was then the state of the *Caisse des dépôts* and consignations on the 31st of December last; the amount of sums it could be called upon to pay should the liquidation be immediate, was..... 28,782,536 fr. 33 c.

whilst its assets present a value to the amount of..... 33,438,839 „ 69 „

shewing an excess of profits of 4,656,364 „ 36 „

The first part of the profits was obtained by an amount of 1,829,854 fr. 86, of which 1,713,847 fr. 95 cents. were employed in the purchase of 120,000 rentes, of which the *Caisse des dépôts* and consignations is nominally the owner. The second part consisting of 2,826,449 fr. 50, arises from the difference in price between the amount paid for reconnoissances purchased by the *Caisse* and the value they will acquire when come to maturity, according to the provisions of the law, as no probable case is likely to occur when the *Caisse des dépôts* and consignations would be called upon to bring them to market before they fall due, which has induced their being valued at their full legal amount, and it is necessary to add that the above amount of profit is calculated after deducting all charges whatsoever.

SINKING FUND.
Situation of the Sinking Fund on the 31st of December, 1821.

Years	Endowment of the Sinking Fund	Dividends on Rentes purchased	Receipts.		Total.
			Proceeds of woods sold by virtue of the law of March 25, 1817,	Interest allowed in account current by the receivers general	
1816.....	frances 20,000,000	439,950 50	.....	.....	20,439,950 50
1817.....	40,000,000	3,086,087 50	.....	.....	43,086,087 50
1818.....	40,000,000	6,447,986 —	7,368,981 74	.....	53,816,967 74
1819.....	40,000,000	10,991,172 —	16,838,220 41	24,710 49	67,854,102 90
1820.....	40,000,000	15,882,024 —	17,969,718 10	58,884 87	73,911,626 77
1821.....	40,000,000	20,500,677 50	15,589,725 01	.....	.....
Total. frances	220,000,000	57,347,85	57,766,645 26	.....	335,114,484 76

Disbursements.		
Rentes purchased	Cost of the Rentes	
1816.....frances 1,782,765	20,439,724 42	
1817.....3,322,114	43,084,946 66	
1818.....3,675,642	51,832,333 85	
1819.....4,854,776	67,094,882 —	
1820.....4,871,085	73,583,386 69	
1821.....4,541,262	77,603,420 45	
Total..	23,047,644	335,638,694 07

RECAPITULATION.

The total amount of Receipts was.....	335,114,484 fr. 76 cents.
” ” Disbursements.....	335,638,694 07
Balance in hand 31 December, 1821, in money	287 03
In Bills remitted by the receivers general for the proceeds	1,476,497 06
of woods sold	1,476,790 69
frances 1,476,784 69	

*Extract of the Finance Minister Roy's Report to the King, dated
31st October, 1821.*

Public Debt.

"The rentes included in the Budget of 1821 to be inscribed in the Great Book of the public debt amounted to 177,829,929 fr. the whole of which, with the exception of 88,140 fr. were inscribed on the 1st of October, and this remainder would be inscribed before the close of the year.

"The law of 26th July last ordered the erasure of the rentes inscribed in the name of the extraordinary Domain, of which 1,068,574 fr. were extinguished on the 22d of September, and the whole would be completed by a fresh cancelling of 400,000 fr. by the 22d March next.

"The rentes falling due after the 22d of March, 1822, would therefore be reduced to 176,361,355 fr. were it not necessary to grant for that year a credit of 3,603,205 fr. rentes for new inscriptions, which make their amount 179,964,560 fr. This new credit is intended to provide for

201,812 fr. for the liquidation of the arrear of 1801 to 1810.

1,393 ,, for payments imputed to credits previous to 1st April, 1814.

3,400,000 ,, for the reimbursement of the second fifth of the *reconnais-
sances de liquidation*.

3,603,205

"The above sum of 201,812 fr. added to that of 401,942 for the payment of 7 millions to the Algerines, will exhaust the vote of credit of 2 millions of rentes provisionally opened by the law of 15th May, 1818, for the discharge of the arrear previous to 1810.

"But although the new rentes will raise the total amount of rentes for 1822 to 179,964,560 fr. yet as part of the addition will only become payable in the second dividend, I reduce the demand of credits for the payment of 5 per cents. for the service of 1822, to 178,364,560 fr. of which 88,382,280 fr. are for the first half yearly dividend, and 89,982,280 fr. for the second.

"The credits required for the interests of the consolidated debt in 1822, amount together to fr. 178,364,560

"Those allowed to the Budget of 1821 only, were..... 175,552,764

"Occasioning in the new Budget an increase of public debt of 2,811,796

"On the other hand, the payment of a second fifth of *reconnaisances de liquidation* reduces to 10,500,000 fr. the credit necessary for the amount of interest falling due in 1822, and thus produces a reduction of 3 millions on the credits of the following service as compared with those of 1821.

"The *reconnaisances de liquidation* issued to the 1st of October, 1821, in payment of the debts of 1810 to 1815 inclusive, amount to the sum of 297,756,708 fr. the funds intended for the reimbursement of the *reconnaisances de liquidation* were taken at 300,000,000 fr.

"It was upon this footing that the law of 8th March, 1821, granted a credit of 60 millions for the discharge of the first fifth, that law authorised for this purpose a credit of 3,884,328 fr. of rentes on the great Book, representing at the mean price of the last six months of 1820, of 77.23; the sum of 60,000,000 fr.; the same law authorised the issue of a similar amount of 60 millions of annuities, payable in six years from the 22d of December, 1821, at the rate of 10 millions a year.

“ By the ordinance of the 14th of March, the choice was left to the holders, to receive their respective amounts either in cash; in 6 per cent. annuities; or in 4 per cent. annuities, with prizes to be determined by lots.

“ The result of this operation was as follows :—

Payments in money—actually made fr. 1,030,895 54	
remaining to be made for	
<i>reconnaissances</i> not yet	
presented	898,150 53
6 per cent. annuities	1,929,046. 07
4 per cent. ditto . . definitive annuities 49,369,000	4,913,819. 16
provisional annuities,	
the exchanges of	
which are not yet	
effected	631,000
Payment in money of one fifth of the <i>ordonnances</i> subse-	50,000,000 00
quent to the 30th of June (<i>Art. 6</i>) *	2,721,265 88
Remaining over on the credit of the discharge of one fifth of	
the liquidation of arrears, to be paid upon the orders of	
the Ministers	435,868 89
Total amount of the vote of credit	60,000,000 00

The Minister further adds—

“ The sum of 1,294,776 fr. rentes, forming one third of the vote of credit of 3,884,328 rentes, was negotiated on the 9th of August last, and included in the sum of 12,514,222 francs rentes, sold at the rate of 85 fr. 55 centimes. It was to form a part of the treaty, because it represented at the price of 77.23½, a capital of 20 millions, the amount of the two sixths of annuities reimbursable on the 22d December, 1821 & 1822.

“ At the price of 85.55 the 1,294,776 rentes, producing a sum of 22,153,617 fr. the profit on this part of the operation will amount to 2,153,617 fr. The remaining 2,589,552 fr. rentes, represent at the present course of 90 fr. a capital of 46,611,936 fr. which would yield a profit of 6,611,936 fr. By offering to the holders of the first fifth of reimbursable *reconnaissances* effects which they preferred to money, I was enabled to wait for, and take advantage (for the negotiation of the 12,514,220 fr. rentes belonging to the Treasury) of a more elevated price and more favourable circumstances.

“ A second fifth of the *reconnaissances* falls due in 1822; and it is to provide for their reimbursement that I am obliged to demand a credit of 3,400,000 fr. rentes, which at the medium rate of 88.23 9-17ths, represents the sum of 60 millions in money.

“ No legislative measure is necessary this year in regard to the three last fifths of *reconnaissances*, but the Minister of Finance will require in 1823, 1824, & 1825, credits in rentes at the then prices, for their effective discharge.

* After the 30th of June, the fifth of the *ordonnances* of the Ministers for arrears of debt shall be paid in cash, with interest, calculated conformably to the law of 28th April, 1816, (Ordinance of 14th March, 1821, article 6.)

SUMMARY VIEW OF THE BUDGET OF 1822.

Receipts.

Registration, Stamps & Domains	francs 160,165,000
Proceeds of the Sale of Wood payable in bills	16,500,000
Customs.....	124,000,000
Indirect Contributions & Tobacco	193,250,000
Post Office.....	23,900,000
Lottery	14,000,000
Payments to be made by the City of Paris	5,500,000
Miscellaneous proceeds	5,723,000
Direct Contributions	312,617,000
Excess of 1820 and former years	<u>34,345,033</u>

Presumed amount of the Receipts of 1822 890,000,033

Expenses.

Consolidated debt, Interest on <i>Reconnais-</i> <i>sances</i> , and endowment of the Sinking Fund	fr. 228,864,560
Civil List	34,000,000
Presidency of the Council.....	180,000
Justice	18,000,000
Foreign Affairs	7,870,000
Interior.....	112,085,000
War	176,472,000
Marine	60,000,000
Finance ...	113,222,900
Charges of Management, &c.	132,532,880
Reimbursements and Restitutions.....	<u>6,314,000</u>

Total of Expenses of 1822..... fr. 889,541,340

Estimated excess of Receipts 458,693

Situation of the Consolidated Debt in 1822 on the following page.

DEVELOPMENT OF THE SERVICE OF THE RENTES OF

		Amount of Credits of		
Dates of the Laws by which the Rentes were created.	Services for which the Rentes were or are to be created.	Granted before the 1st Oct. 1821.	Increase.	Decrease.
9 Vendem. & 24 Frim. year 6	Old claimable constituted Debt prior to the year 5	37,906,493	—	\$90
30 Vend. year 9, 21 Floreal year 10, and other Laws previous to the 1st of April, 1814	Arrears due by the Administration previous to the year 9. ...	25,365,514	—	\$1,068,574
20 March, 1812	To the Communes for sales of their property.....	2,626,978	*1121	—
23 September, 1814	Arrears due before 1 April, 1814	3,415,092	—	—
21 December, 1814	Debts of the King abroad.....	1,500,000	—	—
23 December, 1815, and 14 July, 1819	For charge arising out of the treaty of 20 November, 1815.	8,287,103	—	—
28 April, 1816	Arrears due before 1816	5,362,478	+59	—
Ditto (Art. 117 & 118) ..	Supply for the Budget of 1816..	6,000,000	—	—
25 March, 1817, art. 127	Supply for the Budget of 1817..	30,000,000	—	—
6 May, 1818	Charge and conventions of 25 April, 1818.....	16,029,195	—	55
6 May, 1818, and 14 July, 1819	Balance of war contributions ...	18,929,377	—	—
15 May, 1818	Arrears previous to 1810	2,000,000	—	—
6 & 15 May, 1818	Supply for the Budget of 1818..	16,600,000	—	—
6 March, 1821	Payment of one-fifth of Reconnoissances	3,884,328	—	—
31 July, 1821	Legion of Honour in substitution of woods sold	240,000	—	—
Ditto	In re-payment of securities	2,654	—	—
To be enacted... ..	For the payment of the 2d fifth of 300 millions Reconnoissances of liquidation, with interest from 22 March, 1822..	—	—	—
		178,019,212	1180	1,068,719
			1,067,539	
<i>To be Deducted.</i>				
Rente of 400,000 francs, forming part of extraordinary Domain which will be cancelled on the 22d March, 1822, the interests of which are only taken for the half year expiring on that day, (Law 26 July, 1821)		—	—	—
Credit of Inscriptions of Rentes granted				

* Inscription of Rentes in the name of the Communes in compensation for their estates sold. The credits are not limited, but increase in proportion as the liquidations are effected.

‡ Rentes cancelled from the 22d September, 1821, the owners being only life annuitants, the stock at their decease reverted to the State.

§ Forming part of the assets of the extraordinary domain, cancelled the 22d September, 1891, (Law 26th July, 1821.)

Cancel of a credit proceeding from an over-payment to a Commissary of the Swiss Government.

FIVE PER CENTS. CONSOLIDATED, FOR THE YEAR 1822.

Inscriptions of Rentes.			Rentes Inscribed and to be Inscribed.			Remaining to be in- scribed on the Credits, but not re- quired in 1822.	Dividends on Rentes inscribed and to be in- scribed to the 22 Sept. 1822. Payments 22 March and 22 Sept. 1822.
<i>Situation on the 1st of October.</i>	<i>Credits proposed for 1822.</i>	<i>Total.</i>	<i>Inscribed on the 1st of October.</i>	<i>To be in- scribed in 1822.</i>	<i>Total.</i>		
37,906,403	—	37,906,403	37,906,403	—	37,906,403	16,767	37,906,403
24,196,940	—	24,196,940	24,175,752	4,421	24,180,173	—	23,980,173
2,628,099	—	2,628,099	2,628,099	—	2,628,099	—	2,628,099
3,415,092	—	3,415,092	3,415,092	—	3,415,092	—	3,415,092
1,500,000	—	1,500,000	1,499,654	—	1,499,654	346	1,499,654
8,287,103	—	8,287,103	8,287,103	—	8,287,103	—	8,287,103
5,362,537	—	5,362,537	5,362,537	—	5,362,537	—	5,362,537
6,000,000	—	6,000,000	6,000,000	—	6,000,000	—	6,000,000
30,000,000	—	30,000,000	30,000,000	—	30,000,000	—	30,000,000
16,291,140	—	16,029,140	16,029,140	—	16,029,140	—	16,029,140
18,929,377	—	18,929,377	18,929,377	—	18,929,377	—	18,929,377
2,000,000	—	2,000,000	1,703,076	296,924	2,000,000	—	1,900,000
16,600,000	—	16,600,000	16,600,000	—	16,600,000	—	16,600,000
3,884,328	—	3,884,328	3,884,328	—	3,884,328	—	3,884,328
240,000	—	240,000	240,000	—	240,000	—	240,000
2,654	—	2,654	2,654	—	2,654	—	2,654
—	3,400,000	3,400,000	—	3,400,000	3,400,000	—	1,700,000
176,981,673	3,400,000	180,381,673	176,683,215	3,701,945	180,385,160	17,113	178,364,560
—	—	400,000	—	—	400,000	—	—
or to be granted.....	—	179,981,673	—	—	179,984,560	17,113	—
						179,981,673	

N.B. The Rentes inscribed and to be inscribed in 1822, amount to 180,364,560
 And the Dividends 178,364,560

Difference..... 2,000,000

Arising from

200,000 fr. of the Rentes of 400,000 fr. to be cancelled on the 22d March, of which only one half year's dividend is to be paid.

100,000 fr. of the Rentes of 296,924 fr. for the reimbursement of arrears previous to 1810, with interest on the 22d March and 22d September for 96,924, and for 22 September only for 100,000.

1,700,000 fr. on the Rentes of 3,400,000 fr. for the payment of the 2d fifth of the reconnoissances.

2,000,000

BANK OF FRANCE.

General Meeting of the Directors of the Bank, January 24, 1822.

Account given in the name of the Council-General of the Bank, by the Duke de Gaeta, Governor.

" Gentlemen—The year 1821 has more than fulfilled our expectations. At our last meeting I had the honour of announcing to you, that the dividend would not probably continue under eight francs for the entire year, and you know that it has exceeded it. That of the current year will preserve a part of the advantages arising from the advance of sixty millions which the Bank made to Government, in the manner, and with the guarantees provided by its statutes, the payment of which is not to be completed, but within the ten last months of the present year. It will continue therefore to receive the gradual interest at the rate of 5 per cent. of the sum remaining due at each period. The General Council has, on the other hand, taken the opportunity which the last operations of the Government afforded of employing regularly and advantageously that capital which the Bank comes gradually into possession of, by charging itself with the payments to be made to the treasury by the holders of *certificats* in the last loan. The means of insuring for this capital some new mode of employment will be the object of its continual solicitude. The profits accruing during the three quarters that have elapsed since the law of the 4th of July, 1820, form at present a new disposable capital of 1,282,560 fr. to be added to that of about 8,000,000, forming part of the capital in *rentes*, of which the bank is proprietor. This addition has already appeared sufficiently important to the Directors, to induce them to employ it in the best way for the interest of the proprietors, as they are authorised to do by the law of the 22d of April, 1806. The Directors have, therefore, determined to employ it in *reconnaissances de liquidation*, the interest of which will augment the ordinary dividend, until these securities be paid off. You know that this operation is formally mentioned in the statutes of the bank. The Council has the greater cause to felicitate itself on this operation, as they cannot hope that the affairs of the Bank will come fully before the Chambers in the present session. The delay will not injure, in the slightest degree, the interests of the proprietors.

" You will see with much satisfaction, Gentlemen, by the accounts which will be remitted to you of the operations of the Bank during the last half year, that the increase of the commercial discounts, which are the natural source of benefit to the Bank, has contributed in a considerable sum to the amelioration of the concern, as it was foreseen and stated to you in the demands which had been made towards the close of 1820, and in the beginning of 1821. The discount had been carried on in 1820, on a capital of..... fr. 254,000,000

In 1821, to..... „ 384,600,000

Giving an increase of „ 130,600,000

" Being more than one half of the amount of the former year.

" On the other hand, the amount of current accounts which in 1820, had been 544 millions, was, in 1821, 604,900,000 fr. giving the increase, therefore, of nearly 61 millions.

" Those different accounts, when added together, give a total of nearly ten millions, which proves that during the last year, the Bank had transacted more

business than during the former year, when its transactions amounted to more than 800 millions.

“ While speaking, Gentlemen, of the importance of the current accounts during the year just ended, I take the opportunity of offering some explanations respecting that particular branch which some persons have thought proper to hold up as a reproach to the General Council during the last year, since it has not, as it was accused, neglected its duty in preserving silence respecting the gratuity of a service against which none have ever attempted to state an objection. This regulation has been considered in its principle as the natural consequence of the obligation which the Bank owes to commerce, inasmuch as the Bank has been specially established to afford to commerce all possible advantages; and it has also the advantage of having been practised for a long period; if, however, strangers out of trade have been allowed to participate in those advantages which, in rigour, ought to have been exclusively reserved to commercial men, it ought to be understood that this service consists solely in paying their orders on deposited funds, and is so little comparable with the other, that you may be assured that but little, if any thing is added to the expenses, and admitting even that, the commission charged would not have produced the closing of that part of the accounts current; the result of this unpleasant innovation would have been a sort of lowering of respect for the Bank, while the proprietors would receive no profit; and on the other side, the profit which might be obtained would have been so extremely small, as to cause the recompense to be looked upon by every person as a sort of inconvenience to all.

“ Many public administrations enjoy also the advantage of an account current, which saves them expense, the economising of which turns to the profit of the State; and this is not the only service which the Bank has rendered in a manner unperceived; for instance, it charges itself with converting the old specie which comes into the banks, through the payment of the receivers, into new specie, without any charge to the Treasury. The coinage which it has made since the middle of the year 1820, forms an amount of 220 to 250 millions fr. and daily increases. It is true the conditions on which this operation is executed, adds nothing to the expenses of its administration. The abundance of capital that the credit which the Bank possesses brings into its coffers, and that general confidence leaves in it constantly idle, enables it to give to the Director of the Mint, with the securities necessary, so as to secure it against all risks, a delay to enable it to replace the old pieces which are confided to it; and it is by the interest which the Bank obtains in the interval that it is compensated for the coining over again, which only creates in this manner a negative loss to the Bank; but the service is not less real to the Treasury, which would have to support this expense if these operations were made on its own account; and proves that the Bank neglects no means of justifying the title of its institution and the privileges which have been granted to it, in extending the circle of its duties so as to render itself as useful as it can be to the public. Nevertheless, it is also proper to observe, that the Bank is not without some interest to favour the melting down again and recoinage of the old coins, with the view to provide that the funds of the Bank may never be composed but of coin which indisputably preserves its value. I place before you the tables which contain the result of the operations of each half year. The accounts which form the elements of these tables have been verified by the Censors and Regulators (*Regents*). I add, according to the usual practice to these details, that concerning the circulation of the funds during the course of the last year.

There have been received by, and paid out of the Bank during the course of the last year—

In Cash	fr. 546,924,103
In Notes	7,049,708,000

Total fr. 7,596,632,103

Such a circulation will alone attest the zeal of the different agents of the Bank, but they have been besides charged with extraordinary operations for the service of the Royal Treasury, which have added a very great increase to their ordinary labours. These operations have procured an addition of 60,000 francs to the dividend of the first half-year.

Result of the operations of the Bank of France during the first half year of 1821.

(43d Dividend.)

Extract of the Balance Sheet to the 24th of June.

	DEBTOR.	fr.	c.
Article 1. Salaries, gratuities, and incidental expenses, &c.		461,348	97
Article 2. Discounts of effects specified in the port-folio up to this day, and reserved for the ensuing, that is :—			
The interest on 46,515,543f. 69c. in Bills on			
Paris, discounted	153,446	93	
On 8,320,000f. of <i>bons royaux</i>	17,204	35	
		<u>170,651</u>	28
			<u>632,000</u>
Balance, profit		4,409,781	50
			<u>5,041,781</u>
			75

CREDITOR.

Article 1. Discount of effects existing in the Port-folio, on 24th December last, not acquired in the preceding half year, and reserved for the present half year :—

Namely—On 29,653,074f. 38c. of effects on	fr.	c.
Paris; discounted to the Commerce of Paris	114,600	60
On 14,597,000f. of Royal Bills discounted		
for the Treasury	92,062	60
		<u>206,663</u>
		20
Art. 2. Excess of profit of the preceding half years, not yet distributed		10,963
		30

Art. 3. Discounts during the present half year on 181,624,288f. 46c. of Bills of Exchange, discounted at Paris

On 20,000,000f. of Royal <i>Bons</i> , discounted	963,957	30
for the Treasury	165,343	95
		<u>1,129,301</u>
		25
Art. 4. Six months' dividends of 2,000,000f. of Rentes, 5 per cent. consols, due the 22d of last March	1,000,000	0
		<u>2,346,927</u>
		75

Carried over 2,346,927 75

Brought forward	francs 2,346,927 75
Art. 5. Divers receipts, comprising first—Dividend accrued on 22,100 <i>f.</i> of Bank Shares and belonging to it, making at the rate of 42 <i>f.</i> 50 <i>c.</i> each Share	939,250 0
Secondly, Rent of houses, advances upon deposits of ingots, and gold and silver coin	92,120 56
	1,031,370 56
Art. 6. Repayment of the expenses of the Bank for the payment of the first half of this year's dividend on the Public Debt	100,000 0
Art. 7. Commission and expense for the payment of arrears of the preceding half years of 1819	3,483 44
Art. 8. Repayment of the charge of the Bank for the repayment or exchange of annuities for reconnoissances of liquidation of the first series	60,000 0
Art. 9. Interest on the loan of 60,000,000 <i>f.</i> to the Treasury	1,500,000 0
Total	<u>5,041,781 75</u>

Legal Dividend on 90,000 <i>f.</i> shares at 30 <i>f.</i>	2,700,000 0
Second Dividend at 12 <i>f.</i> 50 <i>c.</i>	1,125,000 0
In Reserve ... at 6 <i>f.</i> 25 <i>c.</i>	562,500 0

Dividend and in Reserve	4,387,500 0
Excess to carry to profit and loss, new account	22,281 50

Total equivalent to amount of profit 4,409,781 50

Result of the operations of the Bank of France during the Second Half Year of 1821.

(44th Dividend.)

Extract of the Balance Sheet on the 24th Dec. 1821.

DEBTOR.

Art. 1. Salaries and gratuities, and incidental expenses, &c.	462,124 78
Art. 2. Discount on the Bills of Exchange in the port-folio up to this day, and which will enter into the next half year's account	
On 55,490,825 <i>f.</i> 85 <i>c.</i> of Bills on Paris, discounted to the merchants of that city	206,064 98
Art. 3. Loss on a bill of 1000 <i>f.</i> accepted.	376 94
	668,566 70
Amount of balance on account of profit	4,258,539 8
Total	<u>4,927,105 78</u>

CREDITOR.

Art. 1. Discount on bills existing in the port-folio on the 24th of June last, not acquired in the preceding half year, and reserved for the present half year :—

On 48,515,543f. 69c. of bills on Paris,
discounted to the Commerce of Paris . . . francs 153,446 93

On 8,320,000f. of Royal Bonds, discounted
for the Treasury 17,204 35

170,651 28

Art. 2. Excess of Profit of the preceding half year not distributed

22,281 50

Art. 3. Discount during the present half year :

On 203,020,542f. 52c. of Bills of Exchange,
discounted in Paris 1,146,277 82

On 7,000,000 of Royal Bonds discounted for
the Treasury 4,444 45 1,150,722 27

Art. 4. Six months dividend of 2,000,000f. of rentes 5 per cent. consols due on the 22d September last 1,000,000

Art. 5. Various receipts, viz.—

1st. Dividend accrued on 22,100 Bank shares
and belonging to it, making at the rate of 41f.
50c. per share 917,150 0

2d. Rent of houses, advances on ingots,
and gold and silver deposited, &c. 97,244 80

1,014,394 80

Art. 6. Repayment of the expenses of the Bank for the payment of the 2d half year of this year's dividend of the public debt 100,000 0

Art. 7. Commission and expenses for the payment of arrears of half year, anterior to 1819 735 50

Art. 8. Interest on the Loan of 60 millions to the Treasury 1,463,013 68

Art. 9. Interest on advances on the Certificates of Inscription of 12,514,220fr. of Rentes 5,306 75

4,927,105 78

Legal Dividend on 90,000 Actions at 30f. each 2,700,000 0

2d Dividend on each at 11f. 50c. 1,035,000 0

Reserve on each at 5f. 75c. 517,500 0

Dividend and Reserve 4,252,500 0

Amount to be carried to profit and loss, new
account 6,039 8

Total, equivalent to amount of profit 4,258,539 8

DOCUMENTS.

RUSSIA.

Regulation of the Committee of the Sinking Fund; approved by his Majesty the Emperor of all the Russias, St. Petersburg, 16th April, 1817.

PART THE FIRST.—THE DEBTS OF THE EMPIRE.

CHAPTER I.—*Of the Debts in general.*

Section 1. The debts of the State are of two kinds. The one, debts as well for time as perpetual, which bear, or should bear interest; and the other, the notes of the Bank.

Section 2. The Committee, conformably to the object of its establishment, shall have the administration of all these debts, and shall extinguish them.

CHAPTER II.—*Of the Debts bearing Interest.*

I. Guarantee of the Debts.

Section 3. For the gradual extinction of these debts, the Committee shall have annually at its disposal a fixed sum, separate from and independent of the other expenses of the State, and sufficient to insure the payment, as well of the interest as of the principal. In consequence, these debts shall be henceforth called *Funded Debts*.

Section 4. The sum destined to the payment of the interest and principal of the funded debts, is thirty millions of roubles, which shall be annually taken from the revenues of the domains of the Crown, dating from the 1st of January of the present year, 1817.

Section 5. The Treasury shall pay with the greatest exactness this sum, in preference to every other expense of the State, at the periods which shall be agreed upon between it and the Committee.

Section 6. This sum, assigned upon the revenues of the domains of the Crown, and destined to the payment of the interest and principal of the funded debts, cannot be in any case kept back, diminished, or employed for any other public expense, till the extinction of the debts, and the reduction of the mass of the paper currency, as will be explained below. As for the taxes which had been established for this purpose by the manifesto (Ukase) of 15th February, 1812, they shall be employed in the general expenses of the Empire, till the object of their original destination shall be fulfilled.

Section 7. In case that a new loan should be opened, to meet some unforeseen and extraordinary expense, there shall be assigned for its repayment, a sum apart, independent of that above indicated, which is specially destined to the payment of the interest and extinction of the principal of the debts actually existing.

II. *Of the Debts for Time.*

Section 8. The funded debts for time are divided into two parts. In one are comprised the foreign debts, and in the other those of the interior.

Section 9. By the foreign debt is understood, that contracted in Holland. By those of the interior :

a. The loans made by the Treasury from orphan houses.

b. The debts contracted with private individuals by the loan of the year 1809.

c. Various debts of little moment, also contracted with individuals for the purchase of lands.

Section 10. The payment, as well of the interest as the principal of the foreign debt, shall continue punctually at the fixed periods, conformably to the conventions and engagements entered into by the Crown, without any change being made in them.

Section 11. The payment of the principal and of the interest of the debts of the interior for time, shall be made likewise according to the conventions, at their respective epochs. But in order to observe perfect exactness in the order of these payments, and to have more facility in the accounts, two periods in the year (*Section 62.*) shall be fixed for the payment of the interest, and one only for the principal ; and in the course of the first year, dating from the opening of the Committee, all the payments shall be brought to those periods ; but, however, not otherwise than with the consent of the creditor.

Section 12. The creditors of the interior debts for time may cede and transfer their claims (*crédances*) to other persons ; they may also give them in pledge.

Section 13. These claims may also, if the creditors desire it, be transferred to the perpetual debt, according to the articles here below.

III. *Perpetual Debts.*

Section 14. The perpetual funded debts are those of which the Government does not engage to repay the principal at fixed and determined periods.

The following privileges and prerogatives are granted to the perpetual debts :

Section 15. The perpetual debt produces annually to the creditor, at the two stated periods, a perpetual annuity of six per cent.

Section 16. Every creditor or acquirer of an inscription may sell, cede, or transfer his claim to another person, give it as security, wholly or in part, by observing the following formalities :

Section 17. Every creditor, either by an application to the Committee, or by testament, council, or other legal act, may give to his stock (*crédance*), provided it be not less than 5000 roubles, the privileges attached to real property. In which case the principal and interest shall be divided among the heirs in the established order of succession, in the manner of other real property. (Form C.)

Section 18. Every creditor may also, by a legal act, declare his capital in the perpetual debt, provided it be not less than 5000 roubles, *hereditary property*, in the order which he shall think fit to point out ; assign the annuity to his heirs or to one of his heirs, either according to the order of succession

established by the laws, or according to the division which he shall think fit to make of it. (Form D.)

Section 19. A creditor who shall desire to assign the revenue of a capital in the perpetual debt, to the profit of any public or charitable institution, shall have the right to declare the principal *inalienable*, assigning the perpetual annuity to the profit of one or more establishments.

Section 20. He shall also have the right to declare *inalienable*, a capital in the perpetual debt, and to destine the revenue to the profit of one or several individuals, at his option.

Section 21. Both Russians and Foreigners may equally possess funds in the perpetual debt.

Section 22. The payment of the perpetual annuity, as well as the payment of the debts for time, shall take place in time of peace as in time of war, without considering whether the creditor belongs to a friendly or a hostile nation.

Section 23. If a foreigner, the proprietor of an inscription, dies without a will, the inscription shall go to his heirs, according to the order of succession fixed by the laws of the country of which he was a subject.

Section 24. The capitals placed in the perpetual debt, being considered as an inviolable property, shall be exempt from sequestration, as well for the claims of the Crown as of private persons, unless these capitals, either wholly or in part, have been given in security for the due performance of any contract, or by any other agreement, either with the Crown or with private persons, or as security for some claim; in which case they are subject to the general laws respecting mortgages and securities.

These capitals are also exempted in every case from all taxes.

Section 25. No person can be obliged to take back the whole or a part of the capital placed in the perpetual debt. But to afford to the proprietors of inscriptions, the facility of converting them when they shall desire it, into ready money, the Committee will annually employ to redeem them, according to the current price, a capital which shall be assigned, above the fund necessary for the payment of the perpetual annuities.

Section 26. This capital shall consist at first of a sum equivalent to 2 per cent. of the total amount of the perpetual debts, and will augment every year by the amount of the interest of the debt redeemed.

Section 27. Shall be converted into perpetual funded debts :

1. The debt of the Treasury to the department of the Appanages of the Imperial Family.

2. The capitals belonging to various beneficent institutions, and to pious foundations, deposited in the Bank and in the Treasury, to receive the interest without being able to touch the principal. The transfer of these sums to the perpetual debt shall be made according to the arrangements which the Committee shall make with the above establishments.

As for the capitals belonging as well to the Crown as to private establishments, deposited for a time in the Bank till they are demanded back, they shall continue as heretofore to be considered as deposits, conformably to the existing order.

Section 28. All sums remaining due for stores or other objects, by the war departments, at various times, till the year 1816, may be likewise converted into perpetual annuities at the option of the creditors, in the manner following :

1. The debts verified by the respective tribunals, and recognised, which shall be presented to the Committee in the space of a year, reckoning from the 1st of September, 1817, after having been inscribed in the perpetual debt,

in the same currency in which the claims are, shall bear interest from the 1st of September next, 1817. (Form B.)

2. The admitted debts, which shall be inscribed in the perpetual debt after the expiration of the year, shall bear interest only from the day on which they shall have been presented to the Committee.

3. Those which are not yet verified may pass into the perpetual debt, after they are proved. But that the creditors may not lose the interest during the time necessary for the verification of their claims; it is fixed, that the perpetual interest, calculated according to the sum which shall be admitted, shall be paid to them, reckoning from the 1st of September, 1817; provided, however, that the inscription be made in the space of one year after their being admitted as valid.

Section 29. The creditors mentioned in the preceding sections, who shall not desire to have their claims added to the perpetual debt, shall be paid successively in equal parts among them, from the annual remainder of the 30 millions destined to the extinction of the debts, as well for time as perpetual.

CHAPTER III.—*Of the Great Book.*

I. *Keeping of the Great Book.*

Section 30. In order to observe order in the payments, perspicuity and exactness in the accounts, and secure the rights of every one, the Committee shall have a general book of all the debts of the State, both those for time and those called perpetual.

Section 31. In this Great Book shall be inscribed, in alphabetical order, the names of the creditors, marking opposite to every name, the principal, the interest, or the perpetual annuity. The capitals of public establishments shall be inserted under the name of the governments, districts, or towns in which they are; those belonging in common to several individuals, as to a commercial partnership, to a whole family, or to heirs, shall be inscribed under the name of one of them, or if they desire it under the name of each of them.

Section 32. The great book shall be furnished with the seal of the Committee, signed by the minister of the finances, the directors of the Committee, and the leaves signed by the directors.

Section 33. There shall be two copies of the Great Book of the same form and tenour, one of which shall be deposited in the department of the minister of finance, and the other with the Committee.

Every change on account of the sale, cession, or transfer of the capitals, shall be inscribed in the particular books of the Committee, and afterwards inscribed in the Great Book on the days appointed: these changes shall be inserted in the copy of the Great Book, deposited at the ministry of the finances, every six months.

Section 34. The Great Book is divided into three parts; the first for the inscription of the foreign debt; the second for the debts for time in the interior, the third for the perpetual debts. This last part has four subdivisions; one for the *ordinary* perpetual debts, a second for the perpetual *inalienable* debts, the interest of which is destined for public or charitable institutions, the third for the perpetual debts with the prerogatives of *real property*, and the fourth for capitals enjoying the prerogatives mentioned in Section 18.

Section 35. The inscription of the name of the creditor in the Great Book, and the note which he receives, confirm his rights, and serve him as a title-deed.

Section 36. In consequence, besides the inscription of any debt, in the perpetual debt, the Committee shall deliver to the creditor, in exchange for the documents which he shall have produced, an extract from the Great Book, or a note for a perpetual capital. (Form B.)

The debts in the interior for time, actually existing, shall be likewise inscribed in the Great Book, on the presentation of the original documents, which shall be immediately restored to the owner, unless he desires to receive in exchange a note of the Committee, for a capital for time. (Form a.)

Section 37. The rights of each creditor being founded on the inscription of his name in the Great Book, the notes of the Committee cannot be ceded or transferred to other persons, except by noting this cession or transfer in the Great Book.

II. *Transfer of the Capitals inscribed in the Great Book, and the presentation of them as Securities.*

Section 38. The debts in the interior, both for time and perpetual, may be ceded by one person to another, either wholly or in part, provided always that the capitals be not divided into smaller parts than 100 roubles, and not otherwise than in round sums of hundreds, without tens or units.

Section 39. The creditor and the acquirer present themselves to the Committee; the first adds to his note, a request (Form c) by which he declares that he cedes wholly or in part, the capital inscribed in his name in the Great Book, to *such a person*. In the declaration must be mentioned the name, surname, quality, and place of abode, as well of the creditor as of the acquirer.

Section 40. In order to secure the rights of every one, and to prevent all fraud, when persons present themselves to the Committee who are unknown to them, they will convince themselves of their identity: namely, if they are really the same mentioned in the declaration. These inquiries shall be made either at the Committee itself, at the time of signing the declaration, upon the testimony of one or two individuals settled at St. Petersburg, and known to the Committee, or by adding to the declaration a certificate from a competent tribunal, respecting the name, quality, and residence, as well of the creditor as the acquirer. (Form g.)

Section 41. On the presentation of such a request, the Committee, after having convinced itself, by the Great Book, that the capital is really the property of the claimant, and that he can dispose of it, transfers the sum on the same day to the name of the acquirer, by inscribing it to the *debit* of the former, and to the *credit* of the latter. This operation must be confirmed by the signature of a book-keeper and of a comptroller of the Committee, as well as by that of the creditor and of the acquirer.

Section 42. The acquirer receives a note for the sum which is ceded to him, and if the creditor has ceded only a part of his capital, he receives also a note for the part which he has left.

Section 43. The transfer from one person to another of a capital inscribed in the Great Book, cannot be made twice in the same day.

Section 44. For the transfer of the capitals inscribed in the Great Book, there shall be fixed two days in the week during the whole course of the year, except for three weeks, that is to say from the 20th of December to the 10th of January, which are destined for closing and revising the accounts.

Section 45. If a creditor lives in the interior of the Empire, or in a foreign country, he will present a request, either to the competent tribunal of the place of his abode, or to the Minister or Consul of Russia, residing in the

country where he is, (Form *e*) by which he shall declare, that he desires to transfer his capital inscribed in the Great Book to the name of *such a person*, either wholly or in part. This request, added to the note, shall be sent to the Committee. The acquirer must in the same manner send his declaration to announce his consent. (Form *f*.) The Committee, after having convinced itself of the authenticity of these pieces, will act accordingly.

Section 46. Any person may cede and acquire, by attorney, the capitals inscribed in the Great Book. The powers of attorney drawn up for this purpose must be made and attested according to the forms fixed by the laws, and then presented to the Committee. They may be given for different operations of this kind, as—to acquire, to cede the capital, to receive the interest, &c. or for a single case, as—to transfer to another person the whole sum belonging to the person who gives the power, or only a certain part. (Form *o*.)

Section 47. The powers of attorney relative to capitals inscribed in the Great Book, cannot be given in the name of the officers of the Committee.

Section 48. The power of attorney will be annulled the moment that the person giving it shall present a request to the Committee to stop the effects of it.

Section 49. The capitals inscribed in the Great Book may be given in pledge for contracts or any other engagement, and as security for claims, by delivering the note, and declaring it to the Committee. (Forms *h*, *i*, *k*, *l*.)

In order always to secure the creditors of the State, the notes which they shall have presented in the tribunals shall be forwarded without delay, at St. Petersburg to the Committee, and in the provinces to the Chambers of Finance, to be preserved in the coffers, (*caisses*.)

Section 50. The capitals inscribed in the Great Book shall be received in pledge by the Government, at the rate of 60 per cent. of their value, and between private persons according to their respective conventions.

Section 51. From this number are excluded, the inalienable capitals, and those mentioned in Section 18, which, from the nature of their destination, cannot be either pledged or ceded by way of transfer.

Section 52. If a capital inscribed in the Great Book is given in pledge, either wholly or in part, the proprietor shall still continue to receive the interest or perpetual annuity.

Section 53. The individual, who shall have pledged, wholly or in part, the capital indicated in a note of the Committee, cannot cede or transfer to another person the unpledged part. Neither can any transfer be made without presenting the note to the Committee.

Section 54. If the capital given in pledge is to satisfy the claims which it guaranteed, it shall be sold according to the current price, and the sum which shall be realized above the amount of the claims, shall be given to the proprietor.

Section 55. In order to release a capital represented by a note of the Committee, and given in pledge, the note must be returned to the proprietor, and notice given to the Committee. (Form *m*.)

Section 56. At the death of a creditor, his heirs, or other persons who by his testament have a right to his capital, shall be inscribed in the Great Book, for the part which shall belong to them; but not till they have produced to the Committee authentic and incontestable documents, as well as the note of the deceased creditor.

Section 57. In case of a difference between the heirs respecting their right to a capital inscribed in the Great Book, as well as of litigation, on account of mortgage or pledge, for bankruptcy and for debts, the Committee must be informed of it without delay, as well by the respective tribunals as by the persons interested in the affair. The Committee, on receiving such

information, will immediately stop all payment and transfer of the capital in litigation, till the affair is decided according to the laws.

Section 58. These decisions must be legally announced to the Committee, returning the note of the capital which was in litigation; then each of the persons interested shall enter on the enjoyment of his rights, and shall be inscribed in the Great Book, for the part which shall be adjudged to him.

Section 59. If an individual loses a note of the Committee, he must forthwith notify the loss as well as the value of the note. The Committee will immediately advertise it in the newspapers of the two capital cities, and in two foreign journals. If at the end of eighteen months the Committee has no information of the lost note, it will be considered as annulled, and another will be delivered in its stead.

Section 60. If any body desires to borrow from the Bank, by pledging a capital inscribed in the Great Book, with the exception of the inalienable capitals, and those mentioned in Section 18, he shall receive, on presenting the note, a sum, which cannot exceed the fourth part of the capital mentioned; and if the sum borrowed, or the interest, is not punctually paid at the terms prescribed, the capital given as security shall be subject to the general laws on pledges and mortgages.

CHAPTER IV.—*Of the payment of the Debts for Time, of the Interest, and of the perpetual Annuities.*

Section 61. The payment of the perpetual annuities shall be made twice a year, viz.: from the 16th of July to the 1st of August, and from the 15th of January to the 1st of February; every day except holidays.

Section 62. The payments of the debts for time shall also be made twice a year, if the creditors consent to it; half of the interest from the 1st to the 15th of July, and the other half, as well as part of the principal, from the 1st to the 15th of January. In those cases in which this arrangement may not suit the creditors, the payments shall continue according to the stipulations of each debt for time.

Section 63. If a creditor suffers the time of payment to pass by without presenting himself, he must wait till the next half-year.

Section 64. The Committee being obliged to observe strictly the terms of payment, will never pay compound interest.

Section 65. The debts for time, the interest, and the perpetual annuities, shall be paid to the creditor or his attorney, at St. Petersburg, by the Committee, and in the provinces by the treasuries of the chief towns of the governments or districts.

Section 66. The payments shall be made on the signature of the creditors or of their attorneys, on presenting the notes.

Section 67. The creditors who shall desire to receive their payments in the provinces must declare this to the Committee, either in person, or by letter. (Form N.) In the last case, the demand must reach the Committee four months before the time of payment, at the latest; otherwise the necessary arrangements will not be made before the following term. In case of change of abode, a new declaration must be given in the form prescribed, that the payment may be assigned upon another treasury. The interest paid to the creditors, either by the treasuries or by post, shall be exempt from postage.

Section 68. The payments made on account of the capitals of the debts for time, shall be inscribed on the notes and signed, at the Committee by the book-keeper and the cashier, and in the provincial treasuries by the treasurer.

CHAPTER V.—Of the Diminution of the Mass of the Paper-currency.

Section 69. To diminish the quantity of bank notes, they shall be gradually withdrawn from circulation till they approach their original value.

Section 70. For this purpose there shall be employed annually :

1. Thirty millions of roubles, taken from the revenues of the domains of the Crown.

2. All the surplus arising from the gradual extinction of the debts for time, both foreign and interior.

3. All the surplus of the annual revenues of the Treasury, after it shall have provided for the expenses of the State.

4. The sums which come to the Committee for the sale of the domains of the Crown.

Section 71. To accelerate the diminution of the bank notes, loans shall be opened conformably to the general principles of the present Regulation, upon conditions, which, according to circumstances, will be sanctioned by his Majesty the Emperor, and published.

Section 72. The sum necessary for the payment of these loans shall be taken from the thirty millions mentioned in Section 70.

Section 73. The mass of bank notes, which shall come into the coffers of the Committee by means of these loans, shall be publicly burnt.

Section 74. The sums mentioned in Section 70, with the exception of those destined to insure the reimbursement of those loans, shall likewise be burnt annually.

PART THE SECOND.—OF THE ADMINISTRATION OF THE COMMITTEE OF THE SINKING FUND.**CHAPTER 1.—Composition of the Committee, and its destination.**

Section 75. The Committee is composed,

1. Of the Direction, (Board of Directors.)
2. Of the Sections.

I. Of the Direction.

Section 76. The Board of Directors is composed of a Director-in-Chief and of four Directors, two of whom sit at the Board, and two preside in the two first Sections.

Section 77. There shall be in the Committee, one chief clerk with two assistants, one recorder, one steward, and three brokers.

Section 78. The Direction, according to the established rules, directs all the operations which are within its jurisdiction, and superintends the progress of business in the Sections.

II. Of the Sections.

Section 79. The Committee is composed of three Sections; the first for the payment of the interests, of the perpetual annuities, and for the transfers. The second for the payment, the redemption of the capitals, and for the extinction of the bank notes, and the third for the treasury, (*les caisses.*)

Section 80. For each of these two first Sections, there shall be one book-keeper and one comptroller, with a sufficient number of assistants; in the third Section, there shall be the principal cashier, and two cashiers with assistants.

Section 81. In the two first Sections, two Directors shall sit for one year, and they shall be replaced the following year by the two others, and so on.

Section 82. The object of the first Section is :

1. The keeping of particular books for the debts for time and perpetual.
2. The transfer and other operations relative to the debt in the interior.
3. The order for the payments, viz.
 - a. Of the interest of the foreign debt.
 - b. Of the interest of the debts for time in the interior.
 - c. Of the interest of the perpetual debts.

Section 83. The object of the second Section is :

1. The payment of the debts for time, as well in the interior as abroad.
2. The redemption of the principal of the perpetual debts.
3. The necessary arrangements for the burning of the Bank notes: that is to say, the quantity to be burned, and the time.
4. The keeping of books concerning the above articles.

Section 84. The object of the third Section is :

The receipt, the preservation, and the payment of sums. This Section has three chests, (*caisses*) one general, and two particular; one for the sums of the first Section, and the other for those of the second.

CHAPTER II.—*Nomination of the Officers.*

Section 85. The chief director is named by the Emperor, on the presentation of the minister of finance.

Section 86. The directors, the principal cashier, and the head-clerk, are named by the minister of finance, with the approbation of his Majesty.

Section 87. The book-keepers, the comptrollers, the cashiers, the recorder, the steward, and the brokers, are nominated by the Board of Directors, and approved by the minister of finance. The other officers are named by the Board of Directors.

Section 88. The same mode shall be employed in the discharge of the officers as in their nomination.

CHAPTER III.—*Duties and Responsibility of the Members of the Committee.*

I. *Duties of the Board of Directors.*

Section 89. The chief Director presides at the Board.

Section 90. He has the general superintendence of all the officers of the Sections; he takes care that they fulfil the duties of their places; he fixes the hours of work in regard to the business; and he may accelerate the progress of it by removing for a time the officers of one section to another.

Section 91. The chancery of the Committee is under his special direction.

Section 92. The Board of Directors will regulate in the most convenient manner, the management of the business of the Committee conformably to the established rules.

Section 93. The Board shall regulate also all the operations confided to the Committee, directing them towards the main object, which is to maintain and to consolidate the credit of the State.

Section 94. The inscription of the capitals in the Great Book, the transfers, and the payments, shall be made according to the regulations of the Board.

Section 95. The original copy of the Great Book is kept at the Board, and remains there deposited. All the sums and transfers of capitals, after having been first noted in the particular books of the Sections, shall be immediately inscribed in it, under the special superintendence of the members of the Board of Directors.

Section 96. The Board regulates, with the approbation of the Minister of Finance, the number of offices in the Sections, the details of the internal arrangement for the management of affairs, conforming, for the correspondence, to the general regulations of the ministerial departments, and for the keeping of the books and accounts, to the forms used in commerce.

Section 97. In consequence, the Board fixes and points out the number of particular books which there shall be in the Sections for the book-keepers and comptrollers; indicates the destination of them according to the different divisions of the debts, and of the sums deposited, and according to the changing (*revirement*) of the capitals.

Section 98. The Board appoints every month and every week the part of the sum annually destined to extinguish the principal of the perpetual debts, which shall be employed in the redemption of the said principal.

Section 99. The Board will take care that the sums destined for the Committee be paid in at the time prescribed, in order that the payments may not experience any delay at the appointed terms.

Section 100. The Board being responsible for the scrupulous application of these capitals to the purposes indicated, according to the principles laid down in this regulation, shall take care that they be not, under any pretext whatever, confounded with each other.

Section 101. The Board will arrange with the Treasury of the State and the Chambers of Finance, for the payments assigned in the provinces to the labours of the Committee.

Section 102. The Direction will communicate with the other Boards, as well as with those persons whose co-operation shall be necessary to it, in the affairs which are within the functions of the Committee.

Section 103. In the above communications, the Board shall enjoy the prerogatives which are attached to the departments of the ministers.

Section 104. The copies of acts of the Board shall be signed by the chief Director and by a director, and shall be collated by the head clerk.

Section 105. The notes delivered by the Committee, for the inscriptions in the Great Book, shall be signed by the chief Director, a director, and the book-keeper of the first Section.

Section 106. The Board examines and decides the affairs of the Committee, by the unanimity of its members; if there is a difference of opinion, the Board shall immediately make a report to the Minister of Finance, and shall abide by his decision.

Section 107. The Board shall send notes every week to the minister, of extracts of the journals of its sittings; and besides, it shall present monthly, half-yearly, and annual statements, of the sums and capitals entrusted to the Committee.

Section 108. In the following cases, the Board shall invite to its sittings, the directors who sit in the Sections, and they shall all sign in concert the journal of the sittings, viz.

1. To verify a doubtful case, in regard to an inscribed capital, to notes delivered, or their payment.

2. To examine the losses which the Committee may have sustained in some of its operations.

3. In case a change should be discussed, either to diminish or increase the number of officers employed.

II. *Obligation of the Chiefs of Sections, of the Book-keepers, and their Assistants.*

Section 109. All the operations fixed by this regulation, shall be performed by the Direction and its Sections, according to the division which shall be made between them.

Section 110. In consequence, the chiefs of sections must unite to the knowledge of book-keeping, and of the control, the most scrupulous zeal and vigilance to maintain good order, punctuality, and exactness, in keeping the books, conformably to the object of their section.

Section 111. They are responsible for the management of the business in their respective Sections, which shall be divided by offices, and they are bound to accelerate the execution of it.

Section 112. The book-keepers, the comptrollers, and their assistants, under the direction of the chiefs of the Sections, shall have each in his part, books according to the order established, which they must keep with the greatest exactness, without errors or erasures, and in such a manner that all the articles shall agree with the Great Book.

Section 113. The Sections shall draw up the daily, weekly, and monthly statements, of the change (*revirement*) of the sums and capitals which concern each of them.

Section 114. They shall draw up besides, each for its part, the annual accounts. These accounts must contain the following articles.

1. The account of the foreign debt in Holland, and of the sums employed in the course of the year, in the payment of the principal and interest.

2. Account of the debts of the interior, and of the sums employed in the course of the year, in the payment of the principal and interest.

3. Account of the sums employed in the payment of the perpetual annuities.

4. Account of the sums employed in the redemption of the principal of the perpetual annuities.

5. Account of the sums paid in the provinces on account of the above-mentioned payments.

6. Account of the residue (if any) of the annual sum destined to the payment of the debts; which residue shall be carried to the receipt of the second Section.

7. Account of the capitals inscribed in the Great Book, destined to the extinction of the Bank-notes. And lastly:

8. Account of the Bank notes publicly burnt in the course of the year.

III. *Obligations of the Chief of the third Section and of the Cashiers.*

Section 115. The chief of the third Section or principal cashier is charged, under his personal responsibility with the receipt, with the keeping of the sums, and with the expenses of the three chests, (*caisses*).

Section 116. He shall superintend the keeping of the journal which there shall be in this Section, and in which shall be inscribed all the sums which shall be received, noting into which chest (*caisse*) they are paid.

Section 117. The cashiers, each for the chest which is confided to him, as well as the assistants, share with the chief of the section the same responsibility, concerning the receipt, the keeping of the sums, and the disbursements.

Section 118. The delivery of the sums into the chests, as well as the payments, are made by the order of the direction, and are inscribed in the respective books of each chest, (*caisse*.)

Section 119. The payment of the debts for time, of the interest, and perpetual annuities, shall be made by the cashier on whom the payment shall be assigned, upon a receipt in the book, from him who shall have received the money, and in presence of an officer of the Section.

Section 120. The chief of the Section gives every day to the Direction, during the sitting, the statement, signed by himself and his assistants, of the sums received and paid, and of the residue of each chest.

Section 121. The principal chest shall be sealed by the chief director, and by one of the directors, and the keys shall be in the hands of the principal cashier and of his assistant. The particular chests shall be sealed by a director, by the principal cashier, and by the respective cashiers.

Section 122. No chest can be opened except in the presence of the persons who have sealed it; in case of the illness of one of them, he shall be replaced by another officer.

Section 123. The Board of Directors shall verify once a month the statement of the existing sums.

Section 124. The chief of the section, conjointly with the cashier, shall present to the Board, the annual statement of the receipt and expense of the three chests.

IV. *Obligations of the other Officers of the Committee.*

Section 125. The duties and the responsibility of the chief of the office of the recorder, and of the other officers, each in his office, shall be regulated according to the general laws of the Empire.

(The original signed)

PRINCE PETER LOPOUKHIN,
President of the Council of the Empire.

Forms of Declaration for the Inscription of Capitals in the Great Book.

To the Committee of the Sinking Fund.

Declaration of N. N.

(Letter A.)

Remitting, hereunto annexed, a bond for R. 00, given in my name for the interior Loan of 1809, (or given in the name of N. N. whose power of attorney I have,) or belonging to the heirs of N. N. whose guardian I am, and on which there has been paid on account R. 00, I desire that the remaining sum of R. 00. be inscribed in the Great Book, and that the bond be returned to me; (or, instead of the bond, I desire that there be delivered to me, a note for a capital for time, payable at the same periods stipulated in the bond, and the interest, conformably to section 62. of the Regulation, twice a year till the whole be paid); or, I desire that there be delivered to me a note of the Committee for perpetual capital of R. 00, and to remit to me, (or convey to such a person,) the difference of R. 00. (less than R. 100.)

The signature must mention the name, surname, and quality of the person. The absent must mention the place of their abode, government, and district.

Such a day, month, and year.

From such a place.

(Letter B.)

Remitting, herewith annexed, the original certificate which has been delivered to me (or delivered to N. N.) for my (or his) claim, verified and confirmed, for contracts, (or, for articles furnished in *such a year* to the War department,) of the sum of R. 00., I desire that there be delivered in my name, (or in the name of N. N.) a note of the Committee of the Sinking Fund, for perpetual capital, of R. 00. in the same currency, and to remit to me (or cause to be given to N. N.) the odd sum, remaining below 100 Roubles.

(Letter C.)

Remitting, herewith annexed, a note of the Committee for perpetual capital of R. 25,000 inscribed in my name in the Great Book, in *such a year*, under *such a number*, I desire that it may be exchanged for a note for a perpetual capital, with the prerogative of *real property*.

(Letter D.)

Remitting, herewith annexed, a note of the Committee, for a perpetual capital of R. 60,000, inscribed in my name in the Great Book, in *such a year* under *such a number*, (or a Bank note, or in assignments the sum of R. 00.) I desire that a note for perpetual capital may be delivered to me, enjoying the prerogatives granted by the 18th article of the Regulation; or *inalienable*; and that the interest may be paid, *such part to such* charitable institution, *such another to such* an institution, for the maintenance of six pupils without fortune, &c.; and that the remainder be paid to me, (or to my heirs, or to *such a one*, or to the persons whom I shall point out.)

Forms of Declaration for the Transfer of Capital.

(Letter E.)

Remitting, herewith annexed a note of the Committee of R. 30,000, No. 4567, delivered in my name in *such a year*; I desire that R. 20,000 (or the whole) be inscribed in the Great Book in the name of N. N. merchant at St. Petersburg, residing in this capital, and that there be delivered to me a note for the remaining R. 10,000.

N. N. *Merchant of Riga, residing at St. Petersburg.*

N. N. *Merchant of St. Petersburg.*

Witnesses,

N. N. *Director of the Bank.*

N. N. *Merchant of St. Petersburg.*

(Letter F.)

On the day of the month, N. *such a one*, forwarded a note of *such year*, No. 00, of the sum of R. 00. to be transferred to my name. In consequence, I request the Committee to deliver me a note for the said sum of perpetual capital, or to send it to me to *such a place*.

Form of Certificate.

(Letter G.)

The Civil Chamber, or the Tribunal of the district N. certifies by these presents, that Mr. N. N., Counsellor of the Court, resides at Moscow; and that the declaration by which he transfers to N. N. merchant of St. Petersburg, living at *such a place*, a note of R. 00. delivered in *such a year*, of the sum of R. 00. is signed by his own hand.

The Signatures and Seal.

N. B. The Ministers and Consuls of Russia deliver such certificates to persons in foreign countries.

*Forms of Declaration to present the Notes of the Committee as a pledge.
To the Committee of the Sinking Fund.*

Declaration.

(Letter H.)

We the undersigned declare that I. N. N., merchant of St. Petersburg, have delivered to N. N., merchant of Moscow, a note of the Committee for perpetual capital, delivered in *such a year*, No. 00. of the sum of R. 20,000, as a security for *such an agreement* or contract entered into between us.

N. N. Merchant of St. Petersburg.

N. N. Merchant of Moscow.

(Letter I.)

The Chamber of Finances (or such a tribunal) informs the Committee, that N. N. has presented a note of the said Committee, No. 00. of the sum of R. 00. as a pledge for *such a contract* made with him, (or as security for *such a claim*.)

The signatures.

(Letter K.)

The Chamber of Finances informs the Committee, that having concluded a contract with N. N. merchant of Werei, for the *supply of such articles*, N. N. merchant of Moscow, has given in pledge, a note of R. 25,000. delivered *such a year*, under *such a No.*, as security for the merchant of Werei, N. N.

(Letter L.)

I acquaint the Committee, that having engaged by contract to *supply such an article*, I have given in pledge a note of R. 00. (or I have given as security for *such a claim*) a note of &c.

(Letter M.)

Such a tribunal, or *such an individual*, signifies to the Committee, that the note for perpetual capital, delivered in *such a year*, No. 00. of the sum of R. 00. given by *such a one* in pledge, (or, as security for *such a claim*) is released, and that it has been restored to its proprietor.

Form of Declaration for the Payment of the Interest and the Capitals.

(Letter N.)

Being settled at Saratoff, I beg the Committee to assign me on the Treasury of that city, the payment of the principal and interest of the note No. 00. for capital for time, at the respective periods, during this year, or during this and the following years, (or of the note for perpetual capital, perpetual annuity, &c.)

Form of the Power of Attorney.

To Mr. N. N. (name and quality.)

(Letter O.)

I send you a note of the Committee of the Sinking Fund, for perpetual capital of R. 40,000. begging you to receive for me the perpetual annuity arising from it; authorizing you besides to transfer this capital, (wholly or in part) to the name of other persons, as well as to acquire new ones, approving and ratifying before-hand all that you shall do in my name, by virtue of the present power of attorney, &c.

Note.—To facilitate still more to proprietors of inscriptions in foreign countries the receipt of their interest, they may send their powers of attorney, without adding the note; but in this case, mention must be made in the power.

of attorney of the number and date of the note, of the capital which it represents, and of the amount of the annual interest; and it follows of course, that the powers of attorney, in the legal form, must be signed by the person in whose name the sum is inscribed in the Great Book, or in case of death, accompanied by authentic proofs, on the part of the heirs, guardians, or successors.

St. Petersburg, 30th July, 1817.

AUG. DE LERCH,

Secretary to the Committee of Censorship of the Office of the Police.

UKASE TO THE DIRECTING SENATE.

HAVING confirmed the plan which, conformably to the bases and principles laid down in the Regulations of the Committee of the Sinking Fund, has been presented to Us by our Minister of Finance, to open a voluntary Subscription, the sole destination of which is to diminish the mass of Bank notes, We order the Directing Senate to provide for its publication.

10th May, 1817.

Subscription to be opened at the Office of the Committee of the Sinking Fund.

1. The Committee shall be open from the 1st of July of this year, to receive voluntary subscriptions of funds, as well from Russian subjects as from foreigners. This subscription shall continue from that time till the 20th of December of the same year.

2. The funds may be advanced either in notes of the Imperial Bank, or in notes of the Loan Bank, or in Russian gold and silver coin, but not otherwise than in round sums of hundreds, without tens or units, and not less than 100 roubles, conformably to the general rules of the Committee.

3. For every capital paid in, a premium of one-fifth shall be allowed; that is to say, for every 100 roubles in silver or paper, there shall be added to the capital received 20 per cent. more in the same currency; so that if any one advances 1000 roubles, the sum of 1200 will be inscribed in his name.

4. Those who choose to take part in this subscription, shall have a farther allowance of 1 per cent. on the whole capital paid in, which shall be deducted immediately on the making of the payment, as an indemnity for the expenses which they may have incurred by remitting through the Post-office or by bills of exchange.

5. These funds shall be inscribed in the Great Book as debts bearing perpetual interest with all the prerogatives and rights which the Regulation of the Committee secures to funded debts of this nature.

6. For all such funds inscribed in the Great Book, inscriptions shall be given in the form prescribed; and payment of the interest, reckoned at 6 per cent. on the whole capital inscribed, shall be made in the same kind of currency which has been paid in, at the two periods of the year fixed by the Regulation of the Committee, as well here as in every other city of the Empire, without any expense in this latter case to the creditor.

7. The sum necessary for the payment of the interest (*rentes*), as well as the 2 per cent. destined for the extinction of the capital by the redemption of the inscriptions which people may choose to sell, shall be annually taken from the thirty millions assigned on the revenues of the domains of the Crown for the extinction of the Bank notes.

8. All the funds which shall be thus subscribed at the office of the Committee, have no other object but to lessen the mass of Bank notes in circulation.

In consequence, as soon as the last term of the subscription mentioned in No. 1. is expired, the whole amount of the sums paid in, converted into Bank notes, shall be publicly burnt.

RUSSIAN UKASE,

Respecting the Second Series of the Russian Loan.

UKASE TO THE DIRECTING SENATE.

The loan opened at the Committee for the extinction of the Public Debt, by virtue of an ordinance of the 10th May, 1817, has procured considerable sums, which have served to diminish the mass of bank notes in circulation. The Minister of Finance has laid before us a project for renewing this Subscription on conditions suitable to present circumstances. The sums which will accrue by means of this loan shall likewise be employed to diminish the mass of bank notes in circulation, conjointly with the thirty millions which the Treasury gives for the same object from the revenues of the domains of the Crown. Having confirmed the project, we order the directing Senate to see to its publication.

ALEXANDER.

(The original is signed in the Emperor's own hand-writing.)

Tzarskoe-Zelo, June 16, 1818.

CONDITIONS OF THE LOAN.

1. The Committee for the extinction of the Public Debt will receive from the 1st July to the 31st December of this year, voluntary subscriptions, both of Russian Subjects and Foreigners.
2. The funds may be subscribed either in Imperial Bank Notes, or in Bonds of the Loan Bank, or of the Commercial Bank, or in gold and silver, the coin of Russia.
3. For every 85 roubles, gold, silver, or bank notes, there shall be inscribed 100 roubles on the Great Book, in the same money as was deposited.
4. These inscriptions on the Great Book will ensure the interest of a perpetual rent, with all the prerogatives and rights granted by the regulation of the Committee to funded debts of this nature.
5. There shall be delivered extracts (*i. e.* bonds) from the Great Book of Inscriptions, in the established form. (A Formula of which is annexed).
6. To facilitate the circulation of our funds in foreign countries, the following arrangements shall be made :—

1. The Inscriptions in the prescribed form shall be accompanied with a translation in French, to which shall be added the sections from the 22d to the 27th of the regulation of the Committee.
2. The Creditors on the Great Book, residing in foreign countries, shall, besides, be allowed to transfer their inscription in presence of the Russian Consuls, without even indicating the name of the purchaser, but by merely signing the formula of cession on the inscription below the translation. The purchaser, however, cannot receive the interest without having previously transferred the bond in his name on the Great Book.

7. The payment of the interest, calculated at 6 per cent. per annum* on the whole capital inscribed, shall be made in the same money which may have been invested, whether here, or in any other city of the empire, without any expense in the latter case for the Creditor, and at the two epochs of the year fixed by the regulation of the commission.†

8. Until the first term of payment, the interest shall be calculated from the first day of the month in which the funds may have been invested, though they may have been paid in the middle or at the end of the month.

9. The sum necessary for the payment of the interest, as also of the two per cent. destined to redeem the capital, by buying up the inscriptions which holders may wish to sell, shall be taken every year from the 30,000,000 roubles of the crown revenues assigned for the redemption of the bank notes.

10. The funds thus invested having no other destination than that of diminishing the mass of the bank notes in circulation, at the expiration of the term of the subscription, every sum which shall have been invested and converted into bank notes, shall be publicly burnt.

IMPERIAL UKASE,

Addressed to the Minister of Finance, Count Gourieff, on the subject of the Loan of 40,000,000 of roubles.

Having determined according to the conditions of the 71st section of the Regulation of the Committee of the Sinking Fund, to open a new loan of forty millions of silver roubles, and confirmed the arrangements entered into to that effect with the banking houses of Baring Brothers & Co. of London, and of Hope & Co. of Amsterdam, for the completion of this loan at a perpetual rate of interest of five per cent. per annum—I hereby enjoin you,

1. To enter upon the Great Book the sum of 40 millions of silver roubles, under the head of perpetual rentes, (annuities).

2. To employ, according to the basis of the agreement, the sums you will receive on account of this loan in the purchase of Government paper money, as they come in, and to burn the same.

3. To take the amount necessary to provide for the interests on the above loan as they become due, as well as for the two per cent. to be appropriated to its redemption, out of the 30,000,000 of roubles set apart from the revenues of the domains of the Crown, for the purpose of generally withdrawing the bank notes from circulation.

4. The payment of the interest to be made from the 1st of March, 1821, in two instalments every year, from the 1st to the 15th of March, and from the 1st to the 15th of September, by the Committee of the Sinking Fund.

Signed, ALEXANDER.

Warsaw, 16th August, 1820.

N.B. The loan opened at Petersburg at 72 per cent. or 2 roubles 70 copecks bank note per silver inscription rouble.

* 6 Ro. interest being thus paid for every 85 Ro. return an interest of 7 l-17th per cent.

† And expressed in the Bonds.

FORMULA OF THE BONDS.

No. _____ Inscription on the Great Book of the Committee for the Redemption of the Public Debt. Year _____

INTEREST R ₀ .		No.	No.
Perpetual Interest, serie of the Capital of inscribed on the Great Book in the Name of bearing perpetual Interest at 6 per Cent. and for every Half-year		Roubles in Page	L ^r . No.
Extract from the Regulations of the Committee. Chap. 2.			
22. The payments of the perpetual interest, the same as of the debts for time, are made in time of war as in time of peace, without considering whether the Creditor is our friend or enemy.	24. Capital thus placed at perpetual interest, being con- sidered inalienable property, is exempt from se- questration on the part of the crown and of individuals, except in cases where the bonds have been given as a security. It is also exempt from taxation.		
23. In case of death of a foreign Creditor, the inscrip- tions pass to his heirs, in the order of succession established by the laws of his country.	25 & 26. Refer to the operation of the Sinking Fund.		
Signature of the Director.			
The present Inscription is transferred to _____ by _____			
To certify the Signature. Signature of the Russian Consul General.			
CAPITAL R ₀ .			

Annual Report of Count Gourieff, on the 29th June, 1820, on the Russian Finances.

The Superintending Council of the Credit Establishments, having assembled on the 29th June, 1820, the business of the meeting was opened by Count GOURIEFF, the Finance Minister. He observed that the credit establishment had continued their labours during the year 1819, with the same activity and zeal as in the two preceding years, as an examination of the accounts would shew. But in giving a view of the transactions of the last year he thought it not improper to describe in substance those of the preceding years. He then proceeded to make his financial statements under distinct heads.

Sinking Fund Commission.

The principal objects of this commission are the regular payment of the interest of the debt, and the extinction of the debt itself. It was for the Creditors of the State to bear testimony to the manner in which the first of these duties has been performed. The public debt consists of the temporary debt, the permanent debt, and the debt due to Holland. The last debt amounted on the opening of the commission on Sept. 1, 1817, to 50,600,000 florins. It was afterwards reduced 1,000,000; the other half of this debt, which the government of Great Britain and the Netherlands had taken upon themselves, in virtue of the convention of May 3, 1815, had been reduced in the same proportion. The internal debts, on the 1st of January, 1818, amounted to 3,200,000 roubles in specie, and 53,200,000 in assignments. On the 1st of January, 1820, they amounted to 3,392,880 roubles in specie, and 53,604,428 roubles in assignments. This increase was owing to sums inscribed in the Great Book, and a new loan by the way of pension, opened for the purpose of creating for the War Ministry a permanent capital, destined by anticipation for the supply of each year. Thus, during two years, there have been placed on the Great Book, a surplus of 315,000 of debts in specie, and 18,358,335 in assignments; nevertheless, comparing their effective amount with the inscriptions of 1817, it will appear evident that the real increase in specie is only 190,650, and in assignments 384,995, because the repayment of the funds at the time stipulated had always continued without interruption, and with the most scrupulous regularity.

The debts, consisting of rentes in perpetuity, redeemable and irredeemable, formed at the end of the year 1818, a total of 6,071,952 roubles in specie, and 246,718,251 roubles in assignments. At the commencement of the year 1820 the former amounted to 6,779,652, being an increase of 707,700; the latter on the contrary, did not exceed 242,827,931 roubles, having diminished 3,890,000.

Loans by rents in perpetuity were contracted with the double view of discharging the debt of the War Ministry and the gradual extinction of the paper money. The treasury debts, those of the war, as well as those which are temporary, form a total of 6,355,450 in specie, and 132,209,300 in assignments. In the war debts are included considerable sums owing to Prussia, Naples and Hanover. The creation of rents in perpetuity had been attended with considerable advantage. Instead of prompt payments, which could not have been effected without imposing new taxes; it had been stipulated with the governments of these countries, that the sums respectively due to them for war expenses, should be inscribed on the Great Book. Thus by the operation of the Sinking Fund, this debt will be discharged in a manner almost insensible, and without occasioning new sacrifices.

The remainder of the debts in perpetuity amounting to 110,578,831 roubles in assignments, and 314,360 roubles in specie, arise from loans made in 1817, for the extinction of the paper money. In the total of the debts consisting of rents in perpetuity, are included 36,079,911 of irredeemable debts, consequently the part which is to be redeemed is reduced to 6,742,360 roubles, and to 206,748,020 roubles in assignments.

Immediately after its establishment during the latter months of 1817, the commission redeemed 12,700 roubles in specie of rents in perpetuity. The operation of the Sinking Fund became more sensible from this period. In 1818 it redeemed 12,000 roubles in specie, and 2,663,000 roubles in assignments; and in 1819 6,272,420.

The capital appropriated to the extinction of the debt, constituted by perpetual rents, is so considerable that it promises to the State a speedy relief from that burden, and at the same time affords the creditors the positive assurance of the rise of our funds. But notwithstanding the height to which they have already risen, the government considering the general stagnation of commerce, and the influence which that stagnation must necessarily have on the transactions of capitalists, did not think it proper to open new loans in the course of last year for the extinction of the paper money. In the Russian system of finance that resource is not indispensable, it is only auxiliary. Besides, without recurring to a new loan, it is this year intended to burn 35,614,105 roubles of assignments, which, joined to what was destroyed in the course of the last two years, forms a total of 153,867,010, which are thus withdrawn from circulation. If so considerable a reduction of paper money has not produced the effect which might be naturally expected on the course of exchange, that circumstance must chiefly be attributed to the stagnation which trade experienced in the course of last year. It cannot be doubted, however, that had it not been for this reduction of the paper money, the exchange would have been much lower. The government will not resort to measures of doubtful or temporary effect for restoring the exchange, but it is resolved to persevere in the course so solemnly and irrevocably adopted in withdrawing successively from circulation the super-abundant quantity of paper. Deducting 30,000,000 roubles, the sum necessary for the payment of the rents in perpetuity, and the formation of the Sinking Fund capital, for the loans made with that view there still remain 20,000,000 roubles annually for the continuance of that operation, and we have reason to hope that a durable, if not rapid success, will crown the perseverance with which this salutary measure has been prosecuted.

Assignment Bank.

In the year 1819 this Bank was chiefly occupied in exchanging the old notes for new ones. This exchange, rendered necessary by the imperfect form of the old ones, continues during the present year, and will be concluded by the 1st January, 1821. Until then the government cannot correctly ascertain the amount of the notes actually remaining in circulation. The account will be forthwith published, and will be a proof of the unalterable determination of the government to adhere strictly to the law which prohibits any further issue.

Loan Bank.

The loans made by this establishment in the course of 1819, exceed 3,500,000 roubles. The capitals invested in this Bank amount on the contrary to 47,500,000, and those withdrawn to 31,360,000. The consignments

made in 1819 present an excess of 1,846,235 compared with those of 1818. The transfers of this Bank amounted on the whole in 1819 to 116,736,755. The Loan Bank will receive, as has been stated in preceding sittings, a new organization more conformable to present circumstances, and its object, manufactures, require particular encouragement. The government is sensible of the necessity of that encouragement, and are making arrangements to afford it as far as may be practicable.

Commercial Bank.

The two years which have elapsed since the establishment of this Bank, have proved, by experience, that the principles upon which it is founded are properly conformable to the object of its institution, and that the resources which it offers to merchants contribute no less to the advantage of that class of the community than to the welfare of the State. The transactions of the Bank require every year new activity and enlargement. Its capital, which in 1818 was 17,295,345, now amounts to 20,910,173, and the general confidence in this establishment facilitates the extension of its operations as well as of its capital. The deposits and transfers formed in 1818 52,000,000; in 1819 they were increased to 64,000,000, including the surplus of the preceding year. Those bearing interest, which in 1818 did not exceed 27,500,000, were nearly doubled in the course of last year. About 45,000,000 roubles in assignments, and more than 2,155,000 in specie have been inscribed. On the 1st of January this year, there remained in the chest at the disposal of the Bank 1,938,000 in specie, and more than 33,304,000 roubles in paper. Notwithstanding the stagnation of commerce, discount of bills at Petersburg extended to 54,000,000, the advances on merchandize only to 4,000,000. Independently of these principal operations, the Commercial Bank had endeavoured to turn to advantage the free capitals entrusted to it. Thus in 1819 a part was employed in purchasing foreign specie at Odessa in order to facilitate money payments among the merchants of that city. This speculation was justified by its success.

The sphere of the Bank's activity had not been confined merely to Petersburg, but was extended to the other commercial towns of the empire. An office was last year established at Moscow, and two others this year at Archangel and Odessa. The establishment at Moscow has had a sensible effect in lowering the rate of discount. It has discounted bills to the amount of more than 19,000,000, and its transfers exceed 12,000,000. The total transfers of the Bank and the establishments depending on it, amounted in 1819 to 596,433,363, and produced one million of profit; compared with the capital this profit must appear very considerable, especially as this bank, unlike those of other countries, does not issue its own paper. But the essential utility of this establishment to the State, consists in the assistance that it gives to commerce. The minister concluded with saying, "Gentlemen, each of these establishments will submit its accounts to your consideration. Examine them with that rigid impartiality, that maturity of judgment which distinguished the superior opinion of the council; thus will you justify the confidence bestowed on you by the public, and by him, whose supreme authority watches over the maintenance of the laws, and the happiness of the empire."

Report of Count Gourieff in May, 1821.

The superintending Council of the credit establishments, having assembled on the 12th of May, his Excellency Count GOURIEFF, Minister of Finances, opened the Session with the following speech :

GENTLEMEN,

The heads of the credit establishments will lay before you the accounts of their operations in the year 1820 ; I shall only present you with a general view of the principal results, which you will afterwards find more detailed in the course of the examination which forms the object of your present meeting, and from which it will appear evident to you, that we have not deviated from the course prescribed to us, and that our progress thus far leads us to entertain well founded hopes of the complete success of our undertaking.

Committee of the Sinking Fund.

Amongst the reimbursable debts you will find no new ones : but on the contrary our debt in Holland has experienced a diminution of one million of florins. Of our internal debts 19,700 roubles in specie, and 6,154,497 roubles, 95 copecks in paper, have been paid off ; by which these debts were reduced on the 1st of January, 1821, to

3,373,180 Roubles in specie, and

47,514,230 R. 67 cop. in paper,

including the sums due to the Imperial Foundling Establishment.

When the Council of Guardianship offered to extend to private individuals, the terms of re-payment of their debts, to twelve years, the same facility was also granted to the debts due by the Treasury, so that in the course of 1820 the Committee would have had nothing to pay on account of the principal ; but as, in consequence of that arrangement, there remained at the end of the year a considerable part of the 30 millions appropriated by the law of 1817, towards the payment of the debts, and wishing, as much as possible, to employ it usefully, I asked, and obtained the Emperor's authority, to pay to the Foundling Hospital 4,045,339 roubles 62 cop. in paper, and 12,000 roubles in specie.

The debts in perpetual annuities have been increased by

2,596,500 roubles in specie, and

2,308,100 „ „ paper.

These are old debts of the State, which having been acknowledged as valid claims, have been carried on the Great Book of the public debt. If the arduous work of verifying the old claims, which must necessarily precede their consolidation, cannot be accelerated as much as the creditors, and even the government may desire, at least the measures which you have adopted in your foregoing Session, will enable us soon to become acquainted with their amount.

You will also observe that one million in metallic has been inscribed to satisfy the claims of sundry dependencies of the office of the court ; but as these debts were contracted since the Committee of the Sinking Fund was established, a separate fund has been assigned for that purpose, above the 30 millions appropriated by the law of 1817.

You will also perceive that we have inscribed 13,250,000 roubles in specie (metallics) bearing 5 per cent. interest in perpetual annuities ; they form part of a loan of 40 millions opened in 1820, in consequence of an arrangement

entered into with the houses of Baring and Hope. It was determined to make the contract in metallic roubles, because the improvement of the paper money will render the terms of this loan, which has been raised for the purpose of giving greater scope to the measures taken for its more speedy amelioration, more advantageous to government.

This amelioration, though slow, has been progressive; from the mean rate of 418, to which the silver roubles had risen in 1815, we have seen it fall gradually in 1816 to 403, in 1817 to 383, in 1818 to 379, and in 1819 and 1820 to 373. It would have been still more sensibly felt had not other circumstances, besides the quantity of paper money, and which I explained in your preceding Sessions, co-operated to affect its value.

Although the loan was for 40 millions, only 13,250,000 roubles for the first half year's instalment, were inscribed in 1820, the reason of which will be explained when an account is rendered you of the conditions of this loan. This increase of perpetual annuities is counterbalanced by the effects of the Sinking Fund. You will see, Gentlemen, that this fund amounted already in 1820, to

235,894 metallic roubles, and
6,056,729 paper ditto.

Amongst which the Committee holds already near nine hundred thousand roubles of annuities, which they have acquired; being equivalent to fifteen millions of principal.

This capital will be further augmented this year, and the encrease will tend to confirm more and more the credit which our funds enjoy throughout Europe; the price which they maintain proves already, as well the extent of that capital as the facility with which the holders may realize their stock as soon as they wish it; their progressive rise, and the value they maintain, have fully corresponded with our wishes. And though their circulation in Russia is still confined, at least it is no more the opinion that property vested in our public funds is sunk capital, since the possibility, nay the facility, of realising them is now so universally known; those who from the commencement have availed themselves of this mode of investment, may have gained by the inscriptions in paper money the difference between 82½ and 85 to 104, and by the six per cent. metallics from 85 to 92; it has been observed with satisfaction, that these profits have induced several Russian capitalists to take shares in the new loan, and we may hope that they will participate more largely in it in future.

The whole of our transferable debts in perpetual annuities on the 1st of January of this year, only amounted to

9,202,760 metallic roubles, and
201,314,480 paper ditto, at 6 per cent. and
13,250,000 metallic ditto at 5 per cent. per annum.

The inalienable debts were

39,812 metallic roubles, and
37,795,411 paper ditto, at 6 per cent.

In consequence of the measures adopted for the amelioration of the paper money, there have been withdrawn from circulation in the course of 1820, 37,242,410 paper roubles, which will be brought to you in order to be burned; of these 16,851,394 roubles 39 copecks have been paid in on account of the new loan, by virtue of the engagements entered into by the contractors, (of which 13,250,000 metallic roubles were inscribed in 1820) which engagements will be laid before you when a detailed account of this transaction is presented to you next year. Including these 37,242,410 roubles, there have been withdrawn from circulation and burned 191,109,420 roubles.

Assignment Bank.

I announced last year that I should lay before you the mass of paper money in circulation, as soon as the exchange of the old notes was completed.

We had calculated, when the present system was adopted, that the circulation of Bank Notes to the year 1817, amounted to

836,000,000 Roubles.

The Commission of the Sinking Fund has withdrawn to the 1st of January of the present year..... Roubles 191,109,420

There should therefore remain 644,890,580

But the quantity of notes which the Bank has withdrawn by means of exchange only, was 632,603,115 roubles. So that during the 34 years that the old notes circulated there appears to have been lost for the benefit of the Bank to the

amount of 12,287,465 roubles. However, as forged notes to the amount of 6,857,155 were presented to the Bank, and exchanged,

the profit is reduced to 5,430,310 roubles, and the quantity of new notes in circulation is consequently Roubles 639,460,270

The Assignment Bank will itself submit to you the details of the mode in which the exchanges were effected, as also an account of the other operations entrusted to its management. I have to request, Gentlemen, that you will pay particular attention to the detailed accounts of the exchange of old notes. This operation has enabled us to ascertain exactly the quantity of Bank Notes now actually in circulation, the examination you are about to institute will convince you of their correctness; and the testimony which it is your duty to give of the result of your investigations, will satisfy the public mind beyond the possibility of a doubt, as to the actual amount of the quantity of paper money; that it will not be augmented in future, and that you will be informed of all the diminutions it will experience.

Loan Bank.

Without entering into the details of its circulation, which you will find in the accounts, I shall confine myself to drawing your attention, Gentlemen, to what composes the fund of this establishment. On the 1st of January of the present year, the Bank was in possession in cash and outstanding debts of

Paper Roubles... 137,767,428 66½ cop.

Silver ditto 1,560,446 31½ cop.

Gold ditto 60,934 42½

And owed for deposits,

Paper Roubles... 134,337,509 39½

Silver ditto..... 74,551 35

Gold ditto 10,563 25

Leaving therefore a

surplus capital

In Paper Roubles of. 3,429,919 26½

Silver ditto..... 1,485,894 96½

And in Gold 50,371 17½

Adding its loans to private

individuals out of its profits,

Paper Roubles 1,626,382 71½

5,056,301 98 and the cash on hand amounting

to 133,006 roubles 78½ copecks, and estimating the metallic money in paper at the rate of 373 copecks, at which it stood on the 1st of January; it will appear that after discharging all the claims upon it, the Bank will have acquired on the 1st of January a net profit, since it was instituted of 10,919,581 roubles 50½ copecks.

I had the honour of announcing to you last year, Gentlemen, that I projected to give to this institution a new organisation, by which its capital might be usefully employed in the support of manufacturing industry. This new organisation will be submitted to your approbation in the course of the present session.

Commercial Bank.

The increasing transactions of the Imperial Commercial Bank, which afford such great facilities to merchants, are not of less advantage to the other classes of society. The considerable sums which it throws into circulation, cannot fail in moderating the general rate of interest.

In order to be of still greater service to commerce and industry, in conformity with the intentions of the law of the 7th of May, 1817, the Bank, besides the one it had opened at Moscow, has established new ones at Archangel, Odessa, and at Nijninogorod, during the time that the annual fair is held in that city; it has also now a branch bank at Riga, and will establish one in future in all the principal cities of the empire. Pursuing all the same objects, and strictly conforming to the same principles, they have in a very short space of time, given great extension to the circulations of trade, and afforded them considerable facilities.

The account rendered of the operations of the Bank in 1820, will convince you, Gentlemen, that if on the one hand the resources of this establishment have been augmented with large additional capitals deposited in its coffers by private persons, merchants, on the other hand, sensible of the advantages it offered them, have entrusted it with a large proportion of their business, and have in a manner turned over to the Bank and its branch establishments, the whole of their financial circulations.

With what remained over of the preceding year, the Bank and its various provincial branches, have, in the course of the year 1820, received and transferred more than 68 millions; 33 millions of which have been transmitted from one city to the other by means of drafts upon each other.

The deposits upon interest confided to the Bank here, and its office at Odessa, have amounted to 86 millions of paper roubles, and three millions metallic ditto. Deducting what has been drawn out, there remained on the 1st of January, 1821,

58,156,935 Roubles 69 Copecks in Bank Notes, and
555,822 „ 55 „ specie.

At the commencement of the year 1820, these deposits only amounted to 33,304,000 roubles in notes, and 1,933,000 roubles in specie. This augmentation proves that the capital and credit of the Bank are increasing; by which it will acquire additional means of extending its discounts, by employing to that effect, a part of the sums confided to it at interest. With the above amounts added to what remained over of 1819, the Bank discounted in 1820 effects to the amount of 182 millions, and what proves the circumspection of the Bank in the choice of these effects is, that only 69,459 roubles 83 copecks, have been protested; for the payment of which actions at law have been instituted.

The Bank only advanced 5,200,000 roubles upon merchandize, and deducting what it has received back, there did not remain due more than 2,317,687

roubles: the re-payments have all been made with punctuality. The discounts have greatly exceeded the advances upon merchandize, which evinces the progress individual credit has experienced.

The fund, or capital of the Bank, amounted at the beginning of 1820 to 20,910,173 roubles 14 cop: it accumulated in the course of the year to 24,889,950 roubles 11 cop.

The net profits of the Bank, over and above the interest paid and remaining due upon the deposits confided to it, after deducting the charges of its establishment, amount to 1,946,825 roubles 45 copecks, being about $7\frac{1}{4}$ per cent. of its capital. Altogether the Bank and its offices, have transacted business during last year for

955,561,231 paper roubles, and
12,052,842 metallic ditto.

Such is the state of the principal operations of our credit establishments in the year 1820. The following was their situation on the 1st of January, 1821:

The debts amounted to—

49,100,000 florins in Holland.
25,865,752 metallic roubles, and
288,624,121 paper ditto.

The reimbursable debts are regularly discharged at the stipulated periods; the perpetual annuities, if we except those which cannot be transferred, and those, which belonging to public establishments, are also excluded from circulation, will only amount to 150 millions, and the capital of the sinking fund will this year be raised to nine millions.

We have 639 millions of paper money.

The Commercial Bank and its branch establishments, the credit of which increases daily, offer great assistance to commerce and to industry. And lastly, the new organisation of the Loan Bank, will furnish additional means for the development of the national wealth.

You see, Gentlemen, that all our credit establishments, for which we are indebted to the solicitude of our august monarch for the welfare of his subjects, concur towards the fulfilment of his beneficent intentions; it is for you to examine and assert whether they discharge strictly the duties which have been imposed upon them.

DOCUMENTS.

PRUSSIA.

Law of the 17th January, 1820, respecting the future management of the collective Debts of the State.

We FREDERICK WILLIAM, &c.

The well known circumstances of latter times, as well as the multifarious duties which they have imposed upon us, have prevented us hitherto from occupying ourselves with the regulation of the Public Debts in conformity with the finance law of the 27th of October, 1810.

Considerable sacrifices have however in the mean while been made in pursuance of that law, in order not only to regulate the amount of the current interest, and provide for the payment of what was in arrear, but also in consolidating and redeeming the principal in as far as was practicable; and although, owing to the variety of requisite information, it was not possible to draw up a complete account of the collective debts of the State till now, yet we have in our ordinance of the 7th of May, 1818, already laid the foundation of a Sinking Fund of a million of rix dollars annually, for the redemption of the Bonds at the charge of the State.

We are now informed of the total amount of the debts of the State, and have therefore determined to make it publicly known, in hopes thereby, and by the determination we have formed to submit them in future to the States General of the kingdom, to confirm the public confidence towards the country and its administration, and that our serious disposition to be just to all the creditors of the State, will be manifested in a manner by so much the more explicit, as the object of the present ordinance is not only to place on an irrevocable basis all that concerns the regular payment of the interest, but also to secure the gradual extinction of the debt.

According to the annexed abstract statement, the debts of the State bearing interest, which have been contracted by our predecessors, and those which have already been so during an unfortunate period of our reign, to provide for the real wants and preservation of the State, or which may hereafter be contracted, in so far as the obligations have not hitherto been issued, amount to the sum of 180,091,720 rix dollars.

We declare this amount of the public debt as irrevocably fixed, and it shall not be allowed to grant obligations or any other descriptions of acknowledgements of State debts, beyond the above mentioned amount.

Should the State require in future for its own support, or for the advancement of the general welfare, to have recourse to new loans, such cannot take place without the concurrence and joint guarantee of the Assembly of the States.

For the present amount of debt, as given in the general Statement, in as far as they may not already be secured by mortgages, we pledge hereby for ourselves and our successors, the collected income and property of the State, but more particularly the Domains, Forests, and Secular Estates of the Realm, with the exception of those, the annual income of which, is appropriated to provide for the 2,500,000 rix dollars necessary for the maintenance of our Royal Family, our Court, and those of the Princes, as well as the establishments appertaining thereto.

The regular payment of the interest on those debts is to continue at the same rate, and out of the same funds as heretofore; but should we in future find it expedient to have the payment of such interest, which is now only made within the kingdom, to take place also abroad, we reserve to ourselves the right of directing the Committee of State Debts, to cause the same to be effected through the medium of the Maritime Society.

For the gradual redemption of all the debts bearing interest, in as far as such has not been already provided for, as is the case with the loans contracted abroad by special agreement, and which are to continue unaltered, we grant for ever one per cent. annually, upon the present amount of the principal of the debt, as a general Sinking Fund.

To this fund is to be added the interest arising from the gradual redemption of the debt, namely, that of the Old Churmarkish Provincial Obligations, Letter *b*, in the Statement No. 1, annexed, according to the particular plan of extinction adopted with respect to them, without interruption, until their entire repayment; as likewise the funded debts alluded to under letter *c*. notwithstanding the liberty given to the creditors of demanding payment of their claims. But on the other hand, the interest arising from the redemption of the other debts, under the letters *d. e. f.* is only to accrue to the general Sinking Fund at particular periods, during the years 1820 to 1822, including however the interest which has accrued already upon the purchases made in the years 1818 and 1819, but after the 1st of January, 1823, in periods of ten following years; in order thereby to diminish, gradually, the payments of interest, and relieve our subjects as much as possible from the burthen of taxation.

Notwithstanding that according to our ordinance of the 27th of October, 1810, and even to the tenor of the State Debt certificates, *Staatschuldscheine*, the repayment of the public debts is to take place by successive drawing of lots, this measure has hitherto not been found either to correspond with the views of the State nor with the expectations of the creditors, we are induced to stipulate by the present, that the State debts documents, *Staatsschulden-Dokumente*, alluded to under the letters *b, c, d, & e*, in the Statement, at number 1, shall not be paid off by lots, but shall, as was successfully done in the years 1818 & 1819, with regard to the *Staatschuldscheine*, be bought up annually, and that the repayment by lots shall not commence until the respective debt documents cannot be bought any more under par.

For the regular payment of the interests and redemption of the capital, we assign herewith—

1. The general revenues of the Domains and Forests, with the exceptions above stated.

2. The proceeds of the sales for ready money only of the National Estates, as also of Land-tax, Interests, Tithes, &c. arising from the Domains, and

3. The duty upon Salt, in as far as may be sufficient for the dotation of the fund in question.

The payment of these sums is to be made to the Sinking Fund in monthly instalments, by the provincial treasurers, without any deductions whatsoever.

Beginning from the 1st of January, 1820, the provincial treasurers shall only be discharged of the amounts collected by them, on the production of acquittances for them, given by the Commissioners of the Sinking Fund, and from the sums issued in payments for Domains or others, as specified in No. 2, can be considered as duly effected and acknowledged which are not in like manner made to the said Commissioners.

The treasury of the General National Domains hitherto existing, shall be abolished from the 1st of January, 1820, and the balance remaining in cash be transferred to the administration of the State Debts.

Our Minister of State has already on the occasion of the regulation respecting the legal tenure of the Domains in the new and reconquered provinces, on the 30th of June, 1818, proposed that in future sales of Domains, a particular clause shall be inserted, for the due application of the proceeds to the Sinking Fund; in conformity therewith, and to provide for the execution of the stipulations of the present ordinance, we hereby establish a Committee, totally independent of the other treasury boards of the State, under the denomination of Chief Administration of the State Debts—*Hauptverwaltung der Staatsschulden*.

This Committee shall consist of one Chairman and four Commissioners, and we appoint the privy upper finance Councillor Rother, to be Chairman, the privy upper finance Councillor Von der Schulen—Councillor von Pennwitz—Beelitz, & Mr. David Schickler, of the house of Schickler Brothers, Commissioners; and in future on the going out of the Chairman, or any of the Commissioners, three individuals shall be presented to us by the Assembly of the States, and till their establishment, by the Council of State, for us to select one of them to fill up the vacant place. It is the duty of the Chairman to undertake the management of the business of the Committee, but the members share the like duties with him, and are therefore under the same responsibilities.

This Committee shall be answerable to us and to the whole of the public creditors, that no more obligations or documents of public debts be issued than the amount mentioned in the account of debts drawn up by us; but they shall be at liberty to grant obligations for all the sums therein specified, in as far as such may not already have been done, observing however the same forms as with those hitherto issued, or even should it be necessary, to prepare other State documents.

We reserve however to ourselves the power of making dispositions under every head with regard to the parties to whom the acknowledgements are to be delivered.

Should it happen that the Ministry of Finance, in further determining the amount of claims upon the State, diminished any particular sum, which may provisionally have been brought, in the accounts of the debts, to more than it ought to have been, the Committee shall immediately place at our disposal the excess of the amount, as soon as it shall have been ascertained, together with the first instalment of interest falling due thereon, in as far as such might not be required to cover other claims which may have been underrated; the actual interest overdue upon any amount of capital in which savings may have been produced shall remain with the Sinking Fund, to be appropriated, if necessary, towards the more speedy extinction of the debt.

The administration of the State Debts is answerable for the punctual payment of the interests and redemption of public debt, and is particularly held to do every thing in their power during the course of their operations, to forward the general credit of the State.

Until the meeting of the Assembly of the States, the discharged State debt documents shall, at the annual delivery of the account, be deposited under the joint care and deputation of Magistrates, and of the administration of the State Debts; before doing which however, the numbers and letters of the paid off obligations, as well as the general account rendered by the Direction, shall be made public.

The Chairman and Members of the State Debt Administration shall in presence of a deputation of magistrates and others, take oath at the justice room, before our Minister of Justice, to the due performance of the obligations hereby imposed upon them.

The present Sinking Fund, established at the treasury, as well as the office known by the name of State Paper Comptroll Office, with the whole of its establishment, shall be taken over by the administration of the State Debts, and be placed exclusively under their management. The regulation of the funds of this establishment is hereby left to our Chancellor of State, to be in future deducted from the charges incidental to the treasury.

In order to afford the managers of the public debts every opportunity for the due and accurate administration of the accounts, and to prevent obstacles being put in the way thereof by the accumulation of unclaimed dividends, we deem it necessary to fix, from the day of the promulgation of the present decree, the payment thereof at the period of four years from the time of the respective interests falling due. This regulation does not only apply to the dividends falling due after the present date, but also to all the dividends now unclaimed; in consequence of which such of them remaining unpaid on the 1st of January, 1824, shall be forfeited, and applied for the benefit of the Sinking Fund.

Independently of the debts mentioned in article 1, the State is further answerable for debts bearing no interest, in the sum of eleven millions two hundred and forty-two thousand three hundred and forty-seven rix dollars currency, arising from Exchequer bills* and notes of the late Saxony paper money letter A, according to treaty, and from some other contingencies. Only a part as yet of those which have become unfit for circulation having been exchanged, are stated in the aforementioned account; their further amount will be specified in proportion as further applications for Exchanges are made.

There has besides been provisionally brought in the above statement a sum of 25,914,694 rix dollars, arising for the most part out of the provincial debts of reconquered or newly-acquired countries, as they were carried on the respective books of those States, their definitive amount can only be accurately stated after having undergone the necessary investigations. The Minister of Finance will occupy himself with their examination, which will be completed in the course of the year 1820, the interest in the mean while will be paid out of the general fund appropriated to that purpose. The management of these debts shall also, after having been definitively ascertained, be given to the administrators of the public debt in order likewise to be redeemed, except in those cases where provision has already been made, as with the Saxony *Central steuer* bonds, by means to be pointed out hereafter.

Until the establishment of a Sinking Fund for that purpose, no notice for repayment can be accepted of from the creditors. Such will only be permitted in the particular cases where domainal estates, &c. which have been specifically pledged for that purpose, should have been disposed of for account of the General Sinking Fund of the State. But on the other hand, the outstanding arrears due to the governments of the aforesaid provinces, shall be collected as soon as possible, and applied to the repayment of the respective creditors,

* *Trossscheide.*

or transferred to the Sinking Fund, for the provisional State debts, which will be established hereafter.

In the event of advances being made in single provinces for the interests and extinction of their respective provincial and communal war debts, for which the necessary means have been provided, as stated under letter *f*. in Statement No. 1, the general administration of Finances shall take care that as regards the endowment of the Sinking Fund and the extinction of the above-mentioned debts, none of the creditors shall be benefited any farther than has been determined upon with regard to the general debts of the State in a preceding article.

Having fully provided the necessary securities for the regular and punctual discharge of the interest, and the gradual extinction of all the State debts without exception, it is our desire that the whole of the public debt be administered according to the present regulations.

We shall personally attend to the due fulfilment of the present enactment in all its branches, and we make all persons entrusted with the management thereof responsible for its execution.

Given at Berlin, the 17th January,
1820.

‘Frederic William.’
‘C. Prince von Hardenberg.’

STATEMENT

For the payment of the Interest and Extinction of the Public Debt.

No.	Income.	annually.
1	To disposable Domains and Forest revenues; out of the Government's principal treasury, Rix dol. 5,868,000.	
2	From the sales of Domains; out of the Government's principal treasury	1,000,000.
3	From the Salt duties; out of the general Salt fund in Berlin	3,275,027. 21. 10
total of Receipts. . . . Rix dol.		10,143,027. 21. 10

No.	Expenses.	capital	annually
1	For interest of the general State debts, according to the particular specification made by the commissioners for the re- demption of the State debts, namely—		
		rix dollars	
a	for loans in foreign countries. . .	35,982,009. 12. 7	1,799,100. 11. 5
b	.. old Churmarkish Land bonds.	3,234,890. 23. 8	160,616. 11. 10
c	.. sundry debts by particular acknowledgments	598,535. 17. 2	24,836. 9.
d	.. mortgages on Domains . . .	5,527,245. — —	262,663. 21. 7
e	.. State bonds— <i>Staats-Schuld- schein</i> , or consolidated State debts, including the necessary extraordinary expences of the years 1817 to 1819, and the accruing extra charges arising therefrom, as interests & prin-		

capital in arrear, payments to Foreign States, fortresses and garrisons, repairs of roads, canals, &c.	119,500,000. — —	4,780,000. — —
<i>f</i> for the liquidation of debts not yet completely acknowledged	15,249,039. 13. 8.	609,960. — —
first sum bearing interest	180,091,720. 19. 1.	7,637,177. 5. 10.

No.	Expenses.		
2	for the extinction of the general debts of the State, namely,		
A	for the debts included in No. 1,		
a	having a specific Sinking Fund appropriated to their reimbursement	33,124,866. 16. —	896,166. 16. —
B	for the debts, the particular Sinking Fund of which is not immediately forthcoming, but till which time the general Sinking Fund is credited with the amount (No. 1, a) rix dol.		
	2,857,142. 20 gr. 7 pf.		
C	for the debts redeemable out of the general Sinking Fund.		
a	for such whereof the interest of redeemed capital accrues without interruption, till their entire extinction. Included under letter <i>b</i> of No. 1, 3,234,890. 23. 8.		
	 c 598,535. 17. 2.	3,833,426. 16. 10.	
b	debts, of which the Sinking fund is increased by the interest of the sums redeemed, only at stated periods, namely, in the first instance by those of the three years, 1820, 1821, and 1822, after which in ten years, included in No. 1,		
	letter <i>d</i> 5,527,245 — —		
	 e 119,500,000 — —		
	 f 15,249,039. 13. 8.		
	140,276,284. 13. 8.		
	to which is added as at		
B.....	2,857,142. 20. 7.	143,133,427. 10. 3.	
Total, including the interest accrued in the years 1818 and 1819		146,966,854 3. 1.	1,582,684 — —

D Debts bearing no interests,			
Exchequer bills & dollar notes,			
and cash bills, letter A &c. . .	11,242,347 — —	20,000 — —	
	158,219,201 3. 1.	2,505,850 16. —	
add from above	33,124,866 16. —		
2d amount, redeemable			
capital	191,344,067 19. 1.		
added interest on the said sum		7,637,177 5. 10	
Total of expenses		10,143,027 21. 10	

BALANCE.

Income	10,143,027 rix dol. 21 qr. 10 hf.
Expenditure	10,143,027 21 .. 10 ..

Berlin, 17th January,
1820.

FREDERIC WILLIAM.
C. Prince of HARDENBERG.

Enactment respecting the abolition of the Credit Establishment of the State, Knights and Cities in the Mark, hitherto subsisting under the name of CHURMARKISCHE LANDSCHAFT; dated 17th January, 1820.

The stipulation concerning the remission of some of the duties appropriated to the payment of the interests of the capitals furnished, in former times to the State, have in pursuance of our ordinances of the 27th and 28th of October, 1810, on the subject of the State Finances and the new duties on consumption, already been carried into effect, upon the security of compensations in money given by the treasury.

The existing credit establishments of the State, Knights and Burgesses in the Mark, under the denomination of *Churmarksche Landschaft*, has thereby received a completely different organisation, and is now confined to collecting the compensation-money from the State, and paying it over to the creditors, in consequence of taking off also of some of the land and house tax. The payments of the province to its creditors constitute therefore already an integral part of the general Finance administration of the State, so that in order to give it the requisite degree of uniformity, and to afford ourselves the means of taking a complete view of the collected debts of the State, for the regular payment of their interest and their extinction, we find ourselves induced to make the following regulations :

1. The above named credit establishment and the funds thereto belonging, under the names of new beer money, land and house tax, flour excise, and city fund, are hereby for ever abolished.
2. The State on the other hand takes upon itself all the liabilities of said establishment, and also of all its funds without exception, in consequence of which they are exonerated from the responsibilities attached thereto, and circulating under the name of OLD CHURMARKISH PROVINCIAL OBLIGATIONS; *Alle churmarksche landschaftliche Obligationen.*

All the assets and revenue of whatsoever nature, hitherto belonging to the establishment, shall from the present period be paid to and taken over by the State, only however, for the purpose of being regularly applied to the payment of the interests of the debts of the institution, as also to establish a more perfect system of reduction than has hitherto been adopted.

The direction of the debts of the said establishment shall devolve to the Administration of the public debts of the State, instituted by our ordinance of this day, to whom the sundry creditors without exception are to apply in future, as well for the payment of their dividends as for the repayment, according to the above named law, of the bonds denominated *Old Churmarkish Provincial Obligations*.

Although according to our financial edict of the 27th of October, 1810, the interests on all the State debts were not to exceed four per cent. yet the payments of the dividends on the debts hereby taken over by the State, shall continue upon the same footing as heretofore, and in currency. The repayment of the principal shall take place in the particular coins stipulated in the respective documents.

The clerks and other persons holding offices in the aforesaid establishments, shall, in as far as it may not be practicable to employ them in the newly-formed administration of the debts, be provided with other situations in the service of the State, as soon as any opportunities shall offer, in proportion to their qualifications and present salaries, which they however retain till such time, upon condition, nevertheless, to be employed ad interim, in some other way without receiving any other compensation.

Such persons as hold offices under government, and are besides employed in the establishment hereby suspended, shall receive compensation for the diminution of salary thereby occasioned; the superannuated list belonging thereto shall continue to the parties during their lives.

We charge our Minister of the Interior with the dissolution of the existing establishment, and with its transfer to the above-named financial administration of the public debts.

The stipulation of the present ordinance with respect to the abolition of the Churmark credit establishment, is not however applicable to any of the existing regulations of the States of the Chur and Neumark, with regard to which further arrangements are to take place, when the measures determined upon by our ordinance of the 22d of May, 1815, respecting a general representation, shall have been carried into effect.

Given at *Berlin*, the 17th of *January*, 1820,

FREDERIK WILLIAM,
PRINCE V. HARDENBERG.

Order in Council addressed to the Ministry of State, respecting the establishments of the State, and the Public Debt of the 17th of January, 1820.

It is highly necessary that no further delay should take place in the so long suspended regulations of the government establishments, and of the public debt, which the difficulties in the way thereof have hitherto occasioned. I have therefore not only in pursuance of the reports of the Committee appointed to investigate them in the year 1817, and of the administrative revision of the Comptrollers General in 1817-19, but also upon the ample opinion thereof furnished me under the presidency of the Chancellor of State—resolved as follows :—

The projected general financial situation of the State, respecting the current annual income and expenditure, together with the reports of the Committee of State investigation of the year 1817, as also the later examinations on the subject under the presidency of the Chancellor of State, along with the enactments of the tax regulating Committee, in pursuance of the laws on taxation of the 26th May, 1818, and 8th February, 1819, on the subject of an increase of some of the taxes, shall immediately be laid before the Ministry of State for deliberation.

The result of which deliberation and the law project to which it will give rise, shall be referred to the Cabinet Council for their opinion and approbation.

I have already in the proposed project of finances for 1820, reduced several of the heads of the administrative expenditures, and thereby diminished the charge to the sum of 50,863,150 rix dollars.

This charge however will not be fully covered by the existing revenues of the State, or by the taxes to be raised according to the ordinances of the 20th of May, 1818, and the 8th of February, 1819, and which are to continue in operation. I therefore reserve to myself to determine after the closing of the deliberations now taking place at the Ministry of State and at the Cabinet Council, under what modifications the projected increase of duties shall take place.

The above mentioned amount of necessary expenditure shall not be increased upon any account whatsoever. The respective heads of each of the branches of the administration are personally responsible, and the whole Ministry of State is more particularly answerable to me to that effect, since the total sums fixed by me, are adequate for the purposes required in the proposed Budget of the State.

I stipulate by the present, that the respective heads of expenditure be accordingly regulated with the sanction of the Comptroller General's office, and that the drawbacks upon salaries and personal contributions hitherto fixed shall remain in force. The Ministers of State are further held to consult immediately with the Comptrollers General, and to devise means whether further reductions besides those already pointed out may not be produced, particularly by diminishing the number of officers and clerks, as also the military and civil establishments. This will no doubt be found practicable in future by attending to the stipulations of my ordinance of the 3d of November, 1817, according to which all the chiefs of the departments must devote themselves to propose measures by which the provincial administrations may be reduced, and brought to a general central administrative result. I shall further communicate to them my intentions on that head.

The savings which by those means may be effected, as also the proceeds of the realization of the assets and arrears of the State, arising out of the income to the end of 1819, to cover the remaining expenses of that year, and all other receipts accruing from the present sources of revenue, shall be collected, and together with such other casual income as I shall point out, be paid over to the Minister of State Count von Lottum, who in his office of Chief of the Exchequer and Comptroller General, is charged with the management of the Treasury.

The state of the public debt has been definitively settled by my ordinance of this day, and its amount, with the regulations for the payment of the dividends and for its extinction, have been made publicly known.

In order that all persons may be fully acquainted with the real situation of the finances of the State, and be afforded an opportunity of convincing themselves that no expenses are incurred but such as are absolutely wanted for the

urgent necessities of the interior, and the security of the State, as also for the maintenance of the public faith, in the fulfilment of its engagements, the above named general state of the finances shall, after having been duly verified, be published, and continue to be regularly made known every three years.

On the present occasion I am also desirous of regulating the following important subjects, which have been some time under consideration, namely, the determining the ordinances with respect to the poor Public Schools, the regulation of the provincial and communal War debts, owing in the Churmark, Neumark, East Prussia, and in the city of Dantzic, as also with regard to the Pension list, and shall therefore expect that the opinion of the Council of State on these subjects be communicated to me forthwith and during their present session.

FREDERIC WILLIAM.

Berlin, 17th January, 1820.

Order in Council of the 17th of January, 1820, for regulating the future connection between the Ministry of State and the Comptroller General (General Kontrolle).

As in consequence of my dispositions of the 11th of January and 21st of October, 1819, and the particular ordinance of this day, the whole management of the State (*Staatshaushalt*) is placed under the joint responsibility of the Ministers of State, it becomes necessary that the general comptroll hitherto attached to their offices, should receive such modifications as the altered state of things require.

I have therefore determined to connect more closely that office, the Chief of which is already a member of Administration, with the Ministry of State; in consequence of which—In every case where it may be necessary to establish new or alter the already existing laws of the State—to regulate the general or particular heads of expenditure—or to appropriate extraordinary sources of income or additional payments, all of which however remain subject to my special approbation, such shall, by degrees, as they come before the members of administration, be submitted to the Comptrollers General, who, as forming part of the Ministry of State, shall take part in the deliberations, and the Director thereof be present at their being proposed, so that it may not be necessary in future to have recourse to written communications between any one of the individual Ministers and his Department on the one hand, and the Comptroller General's office on the other.

The Comptroller General's office however shall continue a separate establishment as heretofore in all cases not relating to opinion, but to the forming of treasury statements, and the management of the public accounts. In which latter qualification it will provide for their being administered in a manner to afford a complete view of the property of the State, its income and expenditure, and submitted to me in manner as before, at the appointed periods.

All communications, applications, and proposals with regard thereto, are to be made by the Comptroller General's office; differences arising therefore between them and the individual parts of that administration shall be submitted to the collected Ministers of State, and be determined by them.

Should any alterations in the instructions for the Comptrollers General of the 9th of March, of this year, become necessary, Ministers shall determine upon them, and present them to me, for my approbation, &c.

FREDERIK WILLIAM.

Berlin, 17th January, 1820.

Order in Council with respect to the future relations of the General Direction of the Commercial Maritime Society, of the 17th of January, 1820. Addressed to Prince Hardenberg.

The regulation of the amount of the Public Debt, which has at length been just completed, and the future management thereof requiring, that the department of the Commercial Maritime establishment, existing under the firm of General Direction of the Maritime Society, shall receive for the future a separate organization conformably to the altered nature of its institution. I, in consequence of the proposals submitted by them, stipulate as follows:—

The General Direction of the Maritime Commercial Society, with its existing establishments, or those it may further acquire, shall in future be considered a financial and commercial institution, completely independent of the Ministry of Finance.

I appoint the actual Privy Upper Finance Councillor and Director *Rother*, as chief thereof, upon his accession to which office he immediately ceases to be a Royal Commissary.

To him shall be confided with unlimited powers, but under his own personal responsibility, the special management of the affairs of this establishment.

The Directors and all the individuals forming part of this institution are, as far as regards its administration, under the comptroll of the Chief.

The sphere of the operations of the latter, and the particular object of the occupation of the establishment, are therefore fixed as follows:

Firstly. This Society shall continue under the well known firm of General Direction of the Commercial Maritime Society:—*General-Direktion der Seehandlungssozietät.*

2d. They shall manage as heretofore the purchases of Salt in England; France, and Portugal, and deliver the necessary quantities into the magazines established nearest the coast, wherever it is held at the disposal of the Salt distributors.

3d. They also are to continue as before to incash the surplus of proceeds of the sales of salt in East and West Prussia, and in Lithuania, for account of the respective funds.

4th. All the financial operations of the State, foreign or domestic without exception, which require the assistance of a commercial agency, are from the present date to be entrusted to the Maritime Society, on the requisition of the respective Boards, and against payment of the charges attending them:

I grant in particularly herewith to the Society, the exclusive privilege of managing all the affairs relative to

The payment of the interest and principal of the debts contracted abroad for account of the Administration of the State debts.

The collecting of funds due abroad from whatever cause they may be owing, for account of the departments of the said administration.

The purchase of any foreign produce necessary for the service of the State.

For the management of the transactions intrusted to the Society, and the liabilities arising from them, the State will give ample security. But in order that the affairs of the Society be conducted in conformity with the above stipulations, it is placed under the general supervision of the State, to which purpose a commission of trusteeship is appointed. The President of the Council of State for the time being, shall always be a member of the same, by virtue of his office. For the present however I appoint as members thereof—

1. Yourself.

2. The Minister of State and Lieutenant-General Count *von Lotterm*, and

3. The Director of the Statistical Board, actual Privy Upper Counsellor of State *Hoffman*.

The Trustees shall assemble every half year, and at one of their meetings the Chief of the Society shall be present, and render an account of the situation of the establishment, and of the operations and transactions which have taken place. The inspection of the annual accounts shall devolve to the Chairman for the time being of the Upper Board of Accounts—*Oberrechnungskammer*.

I leave it to you to make these present dispositions publicly known, and to do the needful for their due execution.

FREDERIC WILLIAM.

Berlin, 17th January, 1820.

*To the Chancellor of State,
Prince von Hardenberg.*

Ordinance respecting the equallizing the Sale Prices of Salt, at each of the Salt Magazines of the State, of 17th January, 1820.

WE FREDERIC WILLIAM, &c.

Whereas one of the principal objects of the new laws of taxation, is to facilitate the free circulation of commodities in the interior, and as the regulations of our former enactment of the 10th of June, 1816, prescribing different prices of salt in various parts of our States, are incompatible therewith—yet as the necessary expenses of the State occasioned by the heavy amount of interest required for the debts contracted during the late war, as also for the means of providing for its gradual discharge, are considerably increased, and do not allow of any modification in the price of 15 rix dollars, established many years since in the provinces of Silesia and Posen, without prejudice to the manufacturers, We order by the present, after having taken the opinion of our Council of State, as follows:—

1. The salt required for the consumption of the interior, out of the magazines of the salt works and factories, shall be sold every where at the same price, namely, at fifteen current rix dollars per ton of 405 pounds. In those magazines where it is sold in small parcels and quantities, the price shall be charged at the same rate of 15 rix dollars for 405 pounds. In the districts situated beyond the line of Custom Houses, these prices shall only be conformed to in as far as the particular circumstances of the cases will admit of.

2. It shall not be allowed to charge any thing beyond the price of 15 rix dollars per ton, either in the way of emolument to the factors, or for the expense of carriage, casks, or packages. The delivery of the casks shall take place within the salt magazines, where the purchasers receive the salt from the stapel, and if required by them they shall be weighed without any expense.

3. Every one may receive the necessary supply of salt from any of the magazines he may think proper; but the purchase of salt shall be facilitated to our subjects in the western provinces, by the establishment of a greater number of factories.

4. The penalties upon the smuggling of salt remain in force, according to the 111th and following articles of the Custom and Consumption duty ordinance of the 26th of May, 1818, and the value of the smuggled salt shall for that purpose be estimated at the sale price in the factories.

Given at *Berlin* the 17th of January 1820, &c.

Statement of the General Income and Expenditure for the ordinary exigencies of the State, as fixed by the King of Prussia on the 7th of June, 1821.

Income.

Income of the Forest and Domains, after deducting the amount appropriated to the Crown	rix dol. 5,604,650
Sales of Domains for the redemption of the public debt	1,000,000
Mines, salt works, and china manufactory in Berlin....	572,000
Post Office	800,000
Lottery.....	507,800
Monopoly of Salt	3,800,000

Direct and Indirect Taxes.

Land tax and others of the same kind	9,326,000
Tax on the different classes— <i>Klassensteuer</i> ..	6,321,850
Ditto on trade.....	1,600,000
Ditto on consumption of foreign and inland produce, tolls, shipping, and other establishments of intercourse	15,280,000
Causeways	420,000
Stamps	2,910,000
Miscellaneous and extraordinary receipts	35,857,850
	1,857,700

Total amount of Income..... rix dol.	50,000,000
--------------------------------------	------------------------

Expenditure.

Privy Council, Chancery, Ministers of State, Boards of Ordinance, of Statistics, Archives, Secretaries of State, Comptroller General's office, and Chamber of Accounts	rix dol. 300,550
Foreign Department, including Ambassadors abroad ...	600,000
Ministry of Worship, of Instruction and Medicine	2,000,000
Ministry of Justice	1,720,000
Ministry of the Interior and of Police	2,300,300
For the Ministry of Professions and Trade..	1,154,000
Ditto for the Highways.....	420,000
Ministry of War, Military Foundling Hospital at Potsdam, and Officer's Widows Fund	22,884,300
Ministry of Finance for the Central Administration....	272,100
Ministry of Finance, including the Administration of the Public Debt, for the payment of the interests, and the gradual redemption of the provincial Debts	1,159,730
Interest and repayment of the Public Debt	10,143,020
Pensions, Salaries, &c.	2,700,000
Various Colleges	2,500,000
For the support of the Chief Studs	160,000
To cover deficiencies in the receipts, extraordinary, & various improvements	1,686,000

Total of Expenses.... rix dol.	50,000,000
--------------------------------	------------------------

DOCUMENTS.

HOLLAND AND NETHERLANDS.

Law for the Re-establishment of the National Debt and for providing the necessary Funds for the Treasury. Dated 14th of May, 1814.

WE, WILLIAM, &c.

HAVING taken into consideration the necessity, in order to provide for the unavoidable expenses requisite for raising the army, the discharge of the unpaid dividends of the National Debt, and for the new regulations of various other branches of the administration; of encreasing the ordinary revenue of the State by additional resources, without pressing upon reviving industry, or withdrawing capital to the prejudice of commerce:

And being desirous at the same time to give the earliest possible testimony of our anxious wish to diminish the losses to which public stock-holders and charitable institutions have been subjected under a foreign government, in as far as present circumstances will admit of:

We have, after advising with the Council of State, and with the approbation of the States General of these lands, thought fit to enact, and we enact by these presents, that

Art. 1. The existing funded National Debt shall be converted into, and replaced by a newly to be established debt, which shall be divided into an actual debt bearing interest, and a deferred debt. *Uitgestelde schuld.*

2. The actual debt, *werkelyke schuld*, shall bear an annual interest of $2\frac{1}{2}$ per cent. The deferred debt shall at successive periods bear a like interest.

3. The present funded, or inscribed debt, shall be converted during the current year, and no further interest be paid upon the same, but what falls due in 1814.

4. The new public debt shall commence on the 1st of January, 1815, from which day the interests shall be reckoned, and paid half-yearly from the time of their falling due at the end of June and of December.

5. The conversion stipulated in Art. 1, shall be effected in the following way, and be regulated as regards the amount of capital standing in the names of the respective proprietors on the Great Book of the National Debt, on the 1st of September next, in the proportions as follows:

There will be granted

2000 florins capital $2\frac{1}{2}$ per cent, integral actual debt, and 4000 florins capital $2\frac{1}{2}$ per cent, integral deferred debt, against the payment of 100 florins

In money, and transfer of stock inscribed in the present Great Book of the National Debt upon the following terms :

Parties desirous of taking the real amount of their capital as a criterion of the transfers to be made by them, shall for every 100 florins in money furnish

fl.	10400	of	1½	per cent.	current stock.
or	8585	..	1½	....	.....
..	6760	..	2½	....	.....
..	5200	..	2½	....	.....
..	5005	..	2½	....	.....
..	4505	..	3	....	.....
..	4160	..	3½	....	.....
..	3690	..	4	....	.....
..	3145	..	4½	....	.....
..	2600	..	5½	....	.....
..	2395	..	6	....	.....
..	2808	..	7	....	.....
..	940	..	5	....	integral debt.

Those who might be desirous of making their transfers in reference to the amount of annuities they receive, will have to transfer for every 100 florins an amount of stock equivalent to f. 45 per annum.

6. In order that the holders of reimbursable debts may not be excluded from the obligations or advantages to which other stock-holders will be liable in consequence of the present enactment, their annuities shall be converted into perpetual rentes, at their present value, according to a table to be formed and approved by us.

7. All life annuities shall continue to be paid in full as before, and are not in any respect comprised in the present law.

8. A sum of four millions of florins shall be annually redeemed from the actual debt, and an equal amount of deferred debt shall be transferred to the actual debt, to be determined by annual drawing of lots, in manner as shall be hereafter determined.

9. The amount of the National Debt having to be deliberated upon every year, according to the 118th article of the Constitution, it shall at the same time be determined whether a larger sum than four millions cannot be laid out for the redemption of the debt, in order to promote still further the interests of the creditors of the State.

10. The certificates of the dividends falling due in 1814, shall be delivered at the administration of the Great Book, at the respective days on which they become payable.

11. A Committee shall be named by us for the purpose of carrying into effect the regulations of the present enactment.

12. After the 1st of September next, all the stock-holders of the different descriptions of the National Debt shall transfer their stock to the said Committee, and pay the sum of 100 florins in the proportions aforesaid, in money, or in the hereafter to be mentioned anticipation receipts.

13. In order to facilitate these payments, the certificates of dividends due will be taken as money.

14. The Committee will deliver one or more receipts, in the proportion of fl. 2000 actual and fl. 4000 deferred stock, for each transfer of stock and additional payment of 100 florins, as mentioned in article 12. These receipts will be separate as regards the actual and the deferred stock, and be made to bearer.

15. The holders of them will be entitled, after the 1st of January, 1815, according to the order in which they will be called up, to have the amounts

therein mentioned, transferred on the new Great Books, which will be formed of the actual and deferred debts, in the names they may appoint.

16. No receipts will be granted for qualified (trust) accounts, and for inscriptions on the present Great Book, upon which there are any liens, but the owners of such stock shall receive from the commissioners, for their own responsibility, a certificate of their having conformed to the stipulations of this law, and the Commissioners shall take care that all such stock be inscribed upon the new Great Book, in the manner, and with the like liabilities to which they are subject at present.

17. Such private establishments as may, in consequence of the 19th article of the law on the Great Book of the National Debt of the 27th of January, 1809, have delivered certificates of participation in the stocks inscribed in their names, shall, as falling within the term of the last mentioned article, be considered in the same light as the holders of trust or alienated stock, allowing them nevertheless, such facilities as the management of their affairs may require, and as may be consistent with the security of the holders of the certificates; all of which shall be settled by us in a further regulation.

18. The afore-mentioned transfers and contributions in money, must be made in four instalments: viz. one-fourth before the last day of September, another before the last day of October, a third before the last day of November, and lastly, the fourth quarter before the end of December, 1814.

19. Parties failing to transfer the fourth share at the period mentioned, shall not be entitled to the receipts above named, in the course of this year, or to the certificates from the Commissioners, and also be deprived of the privilege of having the inscriptions for 1815 on the respective books. The receipts and certificates for the neglected transfers shall in such case not be delivered till during the course of 1815, and the parties not be called up and inscribed till after the first of January, 1816, so that they will not only be debarred from having their stocks transferred during that period, but also be deprived of their dividends during the whole of the year 1815, as likewise of the chance of their shares in the deferred stock being converted into actual stock in that year.

20. Parties not having complied with the stipulations of the present law within ten years from the 1st of January, 1815, shall forfeit all claims to their right of transfer, and their capital fall to the sinking fund to be hereafter mentioned.

21. Upon such transfers as are made by anticipation, allowances at the rate of five per cent. per annum shall be granted as follows:

For the first instalment	$1\frac{1}{2}$	per cent. for 4 months.
.... second	$1\frac{1}{4}$	 3
.... third	$\frac{3}{4}$	 2
.... fourth	$\frac{1}{2}$	 1

22. To make amends for the heavy losses experienced by charitable and religious institutions, they shall for every annuity which they were in possession of on the 31st of December, 1813, or in the event of any part thereof having since been disposed of, for the annuities they now have remaining, receive for every 50 fl. annuities fl. 2000 principal actual, and 4000 fl. deferred stock, without paying any additional amount as specified at Art. 12. The transfers shall be made *ex officio*, by the commissioners mentioned in Art. 11.

23. Such charitable institutions and establishments shall nevertheless be at liberty to convert their stock in manner aforesaid; in which case they shall be considered as private holders of trust stock, and the directors and managers of such establishments, shall be held to declare their intention by writing, to the Commissioners of the Great Book of the National Debt.

24. But for all stocks acquired after the 1st of January, 1814, by such institutions, they shall be considered in no other light than as private individuals.

25. In order to render the present measures as advantageous as possible to the creditors of the State, and to afford them well grounded hopes of the gradual recovery of their losses, the extinction of the deferred stock shall be accelerated through the medium of a sinking fund to be established, to which fund, independently of a sum of two millions of florins annually, and the forfeitures it will be entitled to, according to article 20 of the present law, such further sums shall be added as the States-General shall upon our proposal appoint every year.

26. With a view of proceeding regularly, and without the imposition of any additional taxes, in providing for the necessities of the Treasury, and to give at the same time every facility and advantage to all parties willing to co-operate in such salutary measures, a loan shall be opened by way of anticipation.

27. From the 1st of June next, every person shall be at liberty to participate in that loan by subscribing thereto.

28. As soon as the amount of subscriptions shall have reached the required sum, that is, the proportional amount of fl. 100, necessary for the transfer of each amount of stock standing in the present Great Book, in the manner stated at Art. 5; this loan shall be considered as closed, and no further subscriptions be therefore accepted of, than will be wanted for such purpose.

29. Should this loan be completed, the fl. 100 or more, required for the necessary additional payment to procure the transfer of stock aforesaid, shall not be paid in money, but have to be furnished in certificates, *recipissen*, arising out of this loan, as shall be described hereafter.

30. Five per cent. of the amount subscribed shall be paid at the time, when an inscription receipt shall be granted, on which the following further instalments shall be made, after deducting the 5 per cent. already paid; namely,

Before the 1st of July, 25 per cent.

..... 1st of Aug. 30

..... 1st of Sept. 45

But parties will be at liberty to pay up the whole amount of their subscription at the time of subscribing, or before the 1st of July.

31. A discount of seven months' interest, at the rate of 5 per cent. per annum, will be allowed on all payments made before the 1st of July; of six months on payments before the 1st of August; and lastly, of five months on anticipations of payments made before the 1st of September.

32. For the inscription receipts, *inschryving renversalen*, thus paid up, or at the payment of the above stipulated instalments; certificates, *recipissen*, of from fl. 100 to fl. 1000, rising by one hundred florins each, shall be delivered, which shall be taken in payment as money by the Commissioners of the National Debt.

33. As a further inducement to participate in this loan, parties making their payments in these certificates, shall be entitled to furnish *domain rescriptions*, on transferring their stock in the proportion of 200 francs of such rescriptions, together with all the dividends due upon them, for one eleventh part of stock so transferred.

34. The *rent certificates*, exchangeable against domain rescriptions, and delivered at the direction of the Great Book of the National Debt, arising from the 7 per cent. rentes, will be considered in the same light as the original domain rescriptions.

35. All payments made with these anticipation receipts, are exonerated from the penalties stated at Art. 19, until the 1st of April, 1815.

36. Besides the certificates of dividends due, delivered by the direction of the Great Book of the National Debt, the receipts of the voluntary advances made upon the taxes of 1814, according to the regulation of the 18th of December, 1813, with all the dividends thereon, shall be taken in payment as cash, as well as the *bons van het syndicaat* of the 4th series, with interest to the 1st day of the month in which the payment is made.

37. All the transactions arising from the present law, either those of the Commissioners to be nominated by us, those of the present Great Book, or such as will attend the creation of the new Great Book, shall be done free of expense, and consequently without any charge whatever being made to the stock-holders.

38. All guardians, trustees, or administrators of trust property, under whatsoever denomination such trusts are confided to them, and more particularly the officers of the Orphan's Court, or the Commissioners of the Orphan's Court, shall be held and bound without any exception, to conform strictly to the stipulations of the present law, without any distinction, whether the property administered by them be encumbered with entails, reversions, or any other kind of limitations.

39. In the event of such guardians, trustees, or administrators, remaining in default, or neglecting to fulfil the duties hereby imposed upon them, they shall be personally responsible for all damages, losses, or prejudices, thereby occasioned.

40. They will not be permitted to make any charge for their trouble, or for the time devoted to the object of the present regulations; and in as far as such guardians or administrators may not be in possession of sufficient cash to make good the necessary payments appointed in Art. 5; they are hereby empowered and authorised to convert or sell as much of the property under their management, as will be necessary for the said purposes, upon condition of replacing the inscriptions of actual and deferred stock, which will be delivered to them, as also what balances might remain in their hands, of the property thus disposed of, to the accounts of the respective trusts.

Nor will they be allowed to determine upon such sales of entailed property without the concurrence of the family council, as regards the amount and method of effecting them, in manner as is stipulated by the existing laws on the subject.

All necessary notarial acts for the above purposes shall be exonerated from the registration duty, and also be passed by the justices of peace, and by their registrars, without their being allowed to make any charge, or receiving any fees whatsoever for so doing.

42. The present law, the execution of which is referred to our Secretary of State for the Finances, shall be inserted in the State Gazette.

Given at the Hague the 14th of May, in the year 1814, and in the first of our reign.

Signed WILLIAM.

By order of his Royal Highness the General
Secretary of State,

Signed A. R. FALCK,

Law for regulating the increase of the Estimates for 1815, and for determining the extraordinary ways and means to meet this increase, passed on the 11th of November, 1816.

W^z, WILLIAM, &c.

Considering that the period has arrived in which it becomes necessary to provide, by effectual extraordinary supplies, for the deficiencies arising from the unusual expenses occasioned by the present fortunate and glorious termination of the war; the reunion of the previously separated portions of countries constituting the kingdom of the Netherlands, and other uncommon circumstances; and finding it expedient that such deficiencies should be supplied, without occasioning any increase in the national debt, in regard to which the regulations of the law of the 14th of May, 1814, shall remain in full force:

We have, after hearing the Council of State, and with the concurrence of the States General, found it expedient to ordain and we ordain, by these presents, That,

Art. 1. The estimates of the expenses of the State for the year 1815, be augmented as follows:

First charge.. Civil List, in compliance with the 80th article of the Constitution for the last four months, from the first of September, with a sum of	fl. 300,000
Second charge.. Department of the Secretary of State, with	500,000
Third charge.. Home Department	300,000
Seventh charge.. Marine Department	2,800,000
Eighth charge.. War Department	35,000,000
Tenth charge.. Extraordinary and unforeseen expenses ..	1,100,000

Making together an increase of charge of fls. 40,000,000

2. The extraordinary ways and means to meet the above sum of forty millions of guilders, shall be provided in a manner similar to what took place for the payment of the claims previous to the year 1810, and to provide for the increased expense of the Northern provinces for that year.

3. The *Syndicat* instituted for the last named purpose shall be dissolved on the 1st of January next, and all the *Bons* at that time remaining unpaid, be gradually paid off, namely, those of the 6th series, on or before the last day of January; those of the 7th series, on or before the last day of February; and the 8th series, on or before the last day of March.

4. From the above stated period of the 1st of January, the additional per centages collected for the remaining syndical *bons* shall cease; and a new *Syndicat* of the Netherlands be instituted by us, which shall be charged with the recovery of the outstanding claims of the former *Syndicat*, with the settlement of their affairs, and with the payment of the aforementioned remaining *Bons*, at the above stated periods; and further, with the duties incidental to the present regulations.

5. The income of the *Syndicat* of the Netherlands, shall consist of fifteen per cent. additional, to be collected from the beginning of the next year, throughout the whole of our dominions, upon the principal of the following contributions and duties, viz. on the tax on persons and moveables; on doors and windows; on domestic servants; horses, pleasure-boats and carriages; on the licence duty; on all indirect contributions without exception, registration, stamp and mortgages duties; legacy duty; on plate and trinkets; and lastly on the import duties on foreign produce, including Customs, as they exist at present, or may be regulated hereafter.

6. The revenues arising out of them shall be exclusively devoted, and remain appropriated, to the payment of the dividends, and gradual discharge of the principal, of forty millions of obligations of the *Syndicat*, to be issued in order to provide in manner as shall be hereafter stated, for the extraordinary expenses of the present year.

7. The obligations shall be of one hundred guilders each. The dividends to commence with the 1st of January next, at the rate of 5 per cent. per annum, payable half yearly.

8. The repayments shall take place according to monthly drawing of lots, in series of one hundred following numbers, in the same manner as is practised with the present *Syndicat*. One twelfth part of the bonds to be redeemed each year will therefore be paid off every month, which for the first year, being from the 1st of January to the 31st of December, 1817, shall be fixed at 3,000,000 fl. and the like amount each year, with the addition however of the interests saved annually upon the sums paid off, so that the whole of the obligations to be issued shall be discharged and withdrawn by the 31st of December, 1826.

This redemption of the obligations shall be susceptible of increase and acceleration, but shall on no account experience any diminution or delay.

9. The obligations thus to be created by the *Syndicat* of the Netherlands, secured upon its income, must be entered and countersigned at the Board of Accounts of the State, as a proof of their identity, and as a security that the stipulated amount of forty millions of guilders shall not be exceeded; after which they shall be paid into the treasury, to serve for the purposes intended by the present law.

10. In order to provide the treasury immediately with the necessary funds, every person shall be held to make an advance in money upon these obligations by way of a War contribution, and what remains of them not disposed of in that way, shall serve along with at least one third part in ready money, to be employed in payment of such extraordinary expenses of the present year, as will appear to us to be susceptible thereof.

11. The above stated advance shall consist in the contribution of an amount equal to what is paid this year by every individual for land-tax, tax on persons and moveables, doors and windows, servants, horses, pleasure boats, and carriages, as also for licences collectively, according to the full amount of the primitive assessments, including the additional per centage and charges of collection.

12. In as far as in some of the provinces the occupier or tenant of any landed property may be assessed for the land-tax together or separately with the landlord, he shall be held to contribute the full amount of the assessment in the above advances; but shall however have a claim upon the owner for such part of his contributions as may be calculated upon the ground rent, excepting nevertheless every individual's separate lien upon the goods inconsistent therewith, and with the understanding that should unexpectedly any execution have to be resorted to in compliance with this law, same shall be levied notwithstanding such private lien against the landlord and the property, which, according to the last article of this law, is made liable for same.

13. Persons whose collected amount of contributions in the above named taxes shall not exceed the amount of six guilders, shall be exonerated from making the advances above mentioned.

14. In pursuance with the two foregoing articles, assessments shall be drawn up, indicating the proportion every person will have to contribute in the said advances, which shall be approved of by the respective governors of the provinces.

15. The collectors of the taxes shall deliver to all the contributors, a notice of the amount of War contributions to be paid by them, which notice they shall be held to exhibit at the payment of each instalment, to be hereafter determined, in order that the time of payment, the amount thereof, and the signature of the collector may be affixed thereto, in testimony of their having conformed with the present law; but these notices shall independently of the above purposes, have no other value attached to them.

16. The payment of this contribution shall be made in five equal instalments, the first of which shall become due on or before the last day of November next, the second on or before the last day of December following, the third on or before the last day of January, 1816, the fourth on or before the last day of February following, and lastly, the fifth instalment, on or before the last day of March, 1816; whilst on the other hand, the payment of the ordinary direct contributions for the year 1816, shall only commence in the month of April, and continue to be made in nine monthly instalments to the latter end of December following.

17. The said collectors of taxes shall deliver on payment of the instalments due, or where it is desired for the instalments to fall due thereafter, debentures for the same, to be paid by every person at each instalment. All persons will be at liberty to discharge the above mentioned war contribution in anticipation, by paying only one fifth part, or twenty per cent. of their assessment in ready money, and ceding to the treasury the debentures they have a claim to. In which case such fifth part must be paid on or before the 15th of January next.

18. All the debentures to be thus delivered by the collectors of taxes, shall contain the name of the contributor, in order to be properly checked at the treasury, but shall be considered as regards the individual proprietor as ready money, and as if made to bearer, and no duplicates in the event of loss or being mislaid can consequently be granted.

19. After the 1st of May, 1816, these debentures shall be exchanged against obligations of the *Syndicat* of the Netherlands, bearing interest from the 1st of January next, in such manner as we shall deem most convenient to the contributors. The debentures in the Southern provinces of the kingdom, which will of course be made out in francs, will be calculated at the time of being exchanged in this particular instance at the rate of 2 francs 6 centimes per Dutch guilder, and without prejudice to the hereafter to be promulgated law, respecting the regulation of the proportions between the different coins in circulation throughout the kingdom.

20. In order to facilitate the exchanges of broken sums against obligations of 100 guilders, the persons qualified for the purpose shall be authorised to receive the amounts necessary to complete the sum of 100 guilders in ready money.

21. Parties having appealed against the assessment of the year 1815, shall be held as long as their complaints may not have been determined by law, to pay in, the amount of the War contribution upon the original terms, but shall not be obliged in consequence to institute fresh appeals, as the decision upon their complaints of the assessments of 1815, will be made applicable to their advances in the present instance, and in the event of a partial or entire acknowledgment of their claims, a proportional allowance thereon or the repayment of the sums already paid in conformity with the present law, shall be granted them.

22. No new grounds of complaint will however be admitted of, and in judging of their validity and the unclaimable amount of this advance, the statements of the year 1815 will be taken as their basis.

23. All the charges of management respecting these contributions shall be paid without any expense to the contributors. We reserve to ourselves to determine the amount of salary to be paid out of the treasury for the extraordinary labours and additional charges of the different clerks intrusted with these matters.

24. Persons omitting to make good the amounts of the contributions hereby imposed, at the appointed periods, shall be compelled thereto, and be liable to the same penalties as are imposed by the laws respecting the direct contributions; all immoveable and other goods belonging to the contributors being besides made answerable for and liable to be taken in execution in payment thereof, excepting however such upon which any liens or mortgages have been legally acquired previous to the publication of the presents.

We enjoin and command that the present shall be inserted in the State Gazette, and in the Official Journal, and that a sufficient number of copies be printed and forwarded to all cities and places, in order to be every where published and posted up.

Enjoining and commanding our Ministerial Departments and other authorities, Justices and Officers, whom it may concern, to assist in the due execution thereof without either connivance or dissimulation.

Given at the *Hague* the 11th of *November*, 1815, and of our reign the second.

Signed, WILLIAM.

By order of the King A. R. Falck.

Law of the 9th of February, 1818, for regulating the ways and means to provide for the Finances of the Kingdom.

WE, WILLIAM,

Having taken into consideration that the treasury should be placed in a situation, to be able to meet regularly the expenditure of the State for the years 1817 and 1818; that the balancing and discharge of the remaining claims of various nature admits of no further delay; that the necessary funds should be provided to fulfil the engagements entered into by the treaty concluded in London on the 13th of August, 1814; and lastly, that it is proper at the same time, to comply with the 199th article of the Constitution, by which it is stipulated, that the public debt shall be taken every year into consideration, to promote the interests of the creditors of the State;

We have, after hearing the Council of State, and with the concurrence of the States General, thought fit to command as we command by the present.

CHAPTER FIRST.

Ordinary means to provide for the Expenses of the State for 1818.

Art. 1. In order to meet the expenses of the State for the year 1818, as they have been determined in the general estimate of expenditure, the following resources shall be appropriated to their discharge:

1st. The net proceeds of income and profits arising out of the National Domains, the two State Lotteries, the Post-office, as also all other revenues accruing to the treasury from other sources of profit.

2dly. The amount of all direct and indirect contributions, including the Registration duties, Rolls, Mortgages and Stamps, likewise the import and export duties of the State, all of which taxes and duties shall be raised in 1818, in like manner to what was stipulated for 1817.

3dly. The proceeds of the Legacy duty, as was regulated by the law of the 27th December, 1817.

Art. 2. The direct contributions shall be paid by twelfth parts, of which the first shall fall due on the 31st of January, and the last on the 31st of December following.

CHAPTER SECOND.

Method of balancing and liquidating the arrears of Claims.

SECTION THE FIRST.

Old Funded Debt in the Southern Provinces.

3. Although no part of the National debts bearing interest in the northern parts of the kingdom, at the charge of the States General or of the different provinces and districts, were cancelled or disallowed by the late government, nevertheless all claims of the like description left undischarged by the French administration in the Southern provinces shall be liquidated.

4. The annuities in the last named portions of the kingdom, granted at the charge of religious and other corporations, shall in like manner be liquidated, in case and for as much as they may have been deprived of their property.

5. Three months more, dating from the promulgation of the present law, shall be granted for delivering in such claims; after which all further demands shall be considered as irrevocably disallowed.

6. All such claims, to the amount of the effected liquidation are considered of the same nature and value as if they had been inscribed in the different divisions of the Great Book of the national debt, on the last day of December, 1814, in proportion to the annual rente thereof last paid, reduced to one-third.

7. All the regulations of the law of the 14th of May, 1814, for the re-establishment of the National debt, shall be applicable to them, and consequently with the understanding, to receive fl. 2,000 principal, $2\frac{1}{2}$ integral actual debt, and fl. 4000 principal deferred debt, on the payment of fl. 100; and delivery of vouchers of admitted claims of fl. 45. reduced rentes.

8. The inscriptions on the Great Book of the actual debt shall take place with the dividend from the first day of the half year in which the above mentioned vouchers shall have been delivered in.

9. The arrears of the third parts of the rentes on the original claims shall be paid in cash, from the 1st of January, 1815, to the 1st day of the half year, of the delivery of the said vouchers, after deducting the amount to be contributed according to the 7th Article.

10. For such of the admitted debts alluded to in Art. 3 & 4, as consist of life annuities, vouchers of the last paid annuity shall be delivered, transferable in their integral amount in the Great Books of the life annuities of the national debt, with the annuity commencing on the 1st day of the year in which they shall have been presented. The arrears of rentes from the 1st of January, 1815, shall be paid in full in ready money.

SECOND SECTION.

Arrears of Debt of the Netherlands.

11. The arrears of the debt of the Netherlands are divided into three classes.

12. The first class comprises all the debts contracted by, or on account of the temporal administration, as well in the southern as in the northern provinces of the kingdom, during all the time in which they constituted part of the French Empire, and consequently commences for the northern provinces with the year 1810, in the course of which they were united to France; in as far as these debts have not, in consequence of the treaty of the 30th of May, 1814, and the further convention of the 20th of November, 1815, fallen to the charge of the French Government.

The second class includes all the debts contracted by the late administration in the present provinces of North Brabant and Zealand, and in that part of the province of Guelderland, ceded by the treaty of Fontainebleau, of the 16th of March, 1810, to the French Empire, and which debts were not determined upon by the Committee appointed in the decree of the 23d of September, 1810, to liquidate the service of the year 1809 and before, as also those debts, which, after the separation of the above Committee by order of the French authorities, were acknowledged by the board established in substitution of the Chamber of Accounts at Amsterdam, without any measures being adopted for their actual discharge.

The third class comprises such debts as have been contracted by former governments in the northern provinces, before they were united to France, and consequently in 1809 and previous years, with respect to the liquidation and discharge of which, no decision had been taken by the French or the preceding administrations.

13. Three more months also, reckoning from the day of the promulgation of the present law, are granted for the delivery of claims with regard to these debts; after which no further demands of that nature will be considered as admissible.

14. The legal regulations, stipulations, and prescriptions, established at the time, shall be applicable in all cases to claims of the three above-mentioned classes, without exception.

15. The debts comprised in the first class, shall be discharged with fl. 150: 2½ per cent. integral actual debt for every fl. 100.

Those falling within the second class, shall be paid with fl. 100: 2½ per cent. integral actual debt for every fl. 100.

And those included in the third class, with fl. 50: 2½ per cent. integral actual debt for every fl. 100.

16. The dividends on the stock given in payment shall commence on the 1st of January, 1818, or as much sooner as we, after hearing the Council of State, shall consider right, in proportion to the nature and origin of some of the debts, or in consideration of other particular circumstances. These dividends shall, in all cases, be paid in ready money.

17. No vouchers of liquidation of account, or certificates of arrears of rentes, to be granted in consequence of the regulations of the present enactment, shall be valid longer than five years after date.

CHAPTER THIRD.

In pursuance with the 199th article of the Constitution, stipulating that the Debt shall be taken every year into consideration, to promote the interests of the creditors of the State:

18. The third drawing of the deferred National Debt, which is to take place on the 2d of March next, shall comprise an amount of five millions of guilders.

19. In order to insure to the annuitants of the State the continued benefit of the law of the 14th of May, 1814, for the re-establishment of the National Debt upon a more extensive scale, the annual amount of the National Sinking Fund, which is at present fl. 2,060,000, shall be increased with fl. 440,000, and thus amount to the sum of fl. 2,500,000.

20. The portion of the National Debt, which, in consequence of the separation of East Friesland, ceases to be at the charge of the kingdom, shall be transferred to the sinking fund of the State, and the dividends due thereon since the 1st of November, 1813, shall also be placed at its disposal.

21. This increase of capital and income of the sinking fund, shall, in conjunction with its present amount and its increase, tend in the *first place* to increase the annual transfer from the deferred debt to the actual debt, to the amount of at least five millions of guilders; *secondly*, to the annual extinction besides of five millions of guilders of deferred stock, without transfer, with the thereto belonging chance tickets, in pursuance of the second article of the law of the 12th of January, 1816; and *thirdly*, for the purpose of not only supporting generally the value of the actual and deferred stock, but also in conformity with the 4th article of the said law, by purchases and other advantageous operations, to increase gradually the funds at its disposal.

22. With a view to give more complete effect to the stipulations of the 4th article of the law of the 14th of May, 1814, than is at present the case, and to establish the certainty of the regular payment of the dividends on the day of their falling due, in as far as the state of the Treasury will allow, it is hereby stipulated, that beginning at the latest with the half year's dividends falling due on the 1st of January, 1819, and in like manner in future, at the respective dates of the 1st of January and 1st of July of each year, the payment of the dividends shall be made upon the stock inscribed on the Great Book at the same time, and without any previous drawing of lots, in current money, in the manner that the whole of them as may be claimed, be paid within one month of their falling due, and thus at the latest on the last days of January and July of each year.

23. All unclaimed dividends, after five years of their becoming due, shall be forfeited for the benefit of the sinking fund.

CHAPTER FOURTH.

Obligations arising out of the Treaty, signed in London on the 13th of August, 1814.

24. The share which our kingdom has still to bear in consequence of this treaty, in fortifying and arming the southern frontier, is fixed at the sum of twenty millions of florins, required in the course of three years.

CHAPTER FIFTH.

Means of procuring the necessary Funds.

25. A credit of forty-five millions of guilders shall be opened to the King, to cover the expenses mentioned in the foregoing chapter, and the amount of the supplementary estimates for 1817, as also the expected deficiency in the ordinary revenue of 1817 and 1818, as well as to secure the execution of the stipulations, made in the second chapter of this law, and in the second article of the law, for the repeal of the grant for the exclusive trade in tea in the

northern provinces, which vote of credit shall be made use of in part or in whole, according as may be required,

26. This amount shall be divided in such manner, that the sum employed in the year 1818 shall not exceed twenty-five millions of guilders, and not more than ten millions in each of the two following years.

27. The extraordinary supplies to provide for the said amount of credit of forty-five millions of guilders, shall be raised in the manner stipulated in the following articles.

28. The Syndicat of the Netherlands shall issue successively in the years 1818, 1819, and 1820, as many debentures, as shall by virtue of the 26th article be deemed necessary by the king.

29. These debentures of the Syndicat shall constitute the second series thereof, but shall in no ways be connected with the present debentures of the Syndicat; the revenues appropriated to the latter by the 5th article of the law of the 11th of November, 1815, remaining exclusively devoted to their extinction.

30. The second series of debentures of the Syndicat shall be each of 1000 fl. principal; the interest at the rate of five per cent. to commence on the first day of the year, in which they will be issued; payable by means of annual dividend warrants of 50 fl. each, on the 1st of January of every year, at all the Receivers-General's offices in the different provinces of the kingdom, and at the Bank of the Netherlands.

31. These debentures shall be entered and counter-signed at the General Board of Accounts, as a proof of their being genuine, and as a security that the amount of the vote of credit be not exceeded.

32. In order to insure the payment of the said dividend warrants, *Coupons*, the item of expenses in the Budget for the National Debt, shall be increased, beginning with the year 1819, with the necessary amount on behalf of the Syndicat of the Netherlands.

33. The second series of debentures of the Syndicat thus issued, shall be successively extinguished, commencing with the year 1820.

34. In order to proceed regularly with the discharge, an annual amount of no less than three millions of guilders of the above-mentioned debentures shall be paid off, until the whole of the debentures issued, in conformity to the law of the 11th of November, 1815, be withdrawn.

The then outstanding debentures of the second series, shall be paid off by monthly instalments, to be determined by lots, out of the amount of the additional 15 per cent. on contributions imposed by the 5th article of said law for the benefit of the Syndicat of the Netherlands, which additional contributions shall continue to be collected, and exclusively appropriated to the above purpose, until the whole of this new debt be also discharged, whilst the increase of the estimate for the National Debt, as stipulated at Art. 32 above shall cease, and the funds necessary for the payment of the interest on the remaining part be taken from the amount of the afore-mentioned additional per centage.

35. The sums requisite in consequence of the foregoing article, until the period when the therein mentioned additional per centage shall be appropriated to the payment of the holders of debentures of the Syndicat, second series, shall be provided by the sale of a part of the national domains, to be apportioned for every province, and over the whole extent of the kingdom.

36. The determining of the particular lots to be sold, the time and manner of their disposal, which must take place by public auction, the day on which the payments are ultimately to be made, and the period from which the

income thereof shall go to the purchasers, as well as the time at which they shall take possession, will be further determined by us.

37. The payment for the domains thus sold, must be made in ready money, or in debentures afore-mentioned, second series.

38. The National Sinking Fund shall be entrusted with the disposal of the debentures of the Syndicat of the Netherlands, established by this law, as likewise with the management of the sales of the National Domains belonging thereto.

39. The expenses attending such payments, as well as the regulations of the premiums attached to them, shall, upon no account, be taken out of the capital or annual income, appropriated by the law of the 14th of May, 1814, or of the 199th article of the Constitution, and already belonging or still to fall in to the sinking fund, but shall be paid out of the proceeds of a further sale of domains; these expenses however shall not exceed ten per cent. of the amount of the Syndicat debentures, for which the sinking fund will furnish the funds to the Treasury.

40. The sinking fund is empowered to pledge, sell, or dispose by way of lottery, of the debentures confided to its custody.

41. Of the employment of the sums raised in consequence of the vote of credit opened herewith, an account shall be rendered in the annual statements furnished of the income and expenditure of the State. The justificatory accounts of the operations of the sinking fund shall be included in a separate chapter of their usual accounts.

The above regulations shall be inserted, &c.

Law of the 31st of December, 1819, containing appropriations of resources for supplying the Treasury of the State.

WE, WILLIAM, &c.

Having taken into consideration the necessity of providing, that at the commencement of the first period of ten years of ordinary expenses, the Treasury of the State be not impeded in its operations by the want of means, to meet the still undischarged arrears of former services:

We have, after hearing the Council of State, and with the concurrence of the States-General, thought proper to ordain, as we ordain by the present,

Art. 1. The deficiencies in the receipts of the services of the year 1819 and before, appropriated to the expenses of the States, shall be successively supplied by the creation of a sufficient amount of actual debt, bearing interest.

2. The sums to be in consequence inscribed on the Great Book of the National Debt, shall in every respect, constitute an ordinary part of the debt, and bear interest from the first day of the half year in which the inscriptions shall be made.

3. The amount of debt thus to be created, and which shall not exceed the sum of twenty-four millions of nominal capital, shall be disposed of through the medium of the sinking fund, and shall be gradually extinguished by the Commissioners of the same fund.

4. In order to enable the sinking fund of the State to conform thereto, as also to provide the funds necessary for the payment of the dividends, sales of national domains sufficient to yield a net amount of *seven hundred thousand guilders*, shall be annually effected, during the first ten years' period of ordinary expenses, over and above the sales authorised by the law of the 9th of February, 1818, with this understanding, that whatever may remain on hand

of the above sum of seven hundred thousand guilders after the payment of the dividend due, shall be laid out in the purchase of actual debt, and the amount thus purchased shall be extinguished on the 1st of January, of the following years.

When the estimates of the expenses will be under deliberation for the second ten yearly period, the provisions of this article shall be taken into consideration.

5. Of the disposal of the funds arising from the creation of annuities authorized by the present law, an account shall be given in the annual statement of expenses and receipts of the State, whilst the justificatory accounts of the operations of the Sinking Fund relative thereto (the capital of which or the yearly income belonging at present to that fund, or to revert to it in consequence of the 199th article of the Constitution, shall on no account be diverted thereto) shall be included in a separate chapter of the usual accounts of the fund, and the amount of the actual debt redeemed in consequence of the foregoing article, be made publicly known every year.

We enjoin and ordain that the present shall be inserted in the *Staatsblad*, &c.

Law of the 28th of February, 1820, respecting the fifth drawing of the deferred Debt, to the amount of FIVE MILLIONS OF GUILDERS, and the extinction of a Sum of Nine Millions of deferred debt, with the chance tickets belonging thereto.

WE, WILLIAM, &c.

Having taken into consideration that, according to the 199th article of the Constitution, the public debt is to be taken into consideration, to promote the interests of the creditors of the State;

And noticed the 9th article of the law for the re-establishment of the National debt, of the 14th of May, 1814, and the 21st article of the law for providing for the financial situation of the kingdom, of the 9th of February, 1818:

We have, after hearing the Council of State, and with the concurrence of the States General, thought fit to ordain, and we ordain by these presents,

That the fifth drawing of the deferred debt, to take place on the 1st of March next, shall extend over an amount of *five millions of guilders*, and that besides, previous to that period, an amount of *nine millions of guilders*, deferred debt, with the chance tickets thereunto belonging, shall be extinguished, through the medium of the Sinking Fund of the State, not to be included in the fifth and following drawings.

The present shall be inserted, &c.

Law of the 24th of December, 1820, providing for the difference between the extraordinary resources, and the proposed amount of expenditure, included in the second division of the estimates for the year 1820.

WE, WILLIAM,

Having taken into consideration that, in the 6th article of the law of the 27th of April, 1820, for determining the resources to provide for the expenses included in the second division of the estimates for the year 1820, the difference between the sum of fl. 17,754,390. 20, at which the total amount of

receipts arising from the sources pointed out in the first article of that law, and the expected amount of expenses included in the second division of the estimates for the year 1820, should be provided for by further legal stipulations.

We have, after hearing the Council of State, and with the concurrence of the States General, decreed, &c.

Art. 1. To make good the difference between the amount at which is estimated the total receipts of the means provided by the 1st article of the law of the 27th of April, 1820, and the expected amount of the expenses granted by the law of the same day, a sufficient amount of interest bearing debt shall be created.

2. The actual debt which will be in consequence inscribed on the Great Book, shall constitute in every respect an ordinary part of the public debt, and bear interest from the day of the first half year, in which the inscription shall have taken place.

3. The debt to be thus created, and which shall not exceed the sum of eight millions nominal capital, shall be realized by the Sinking Fund of the State, and a like amount be gradually redeemed by the same fund.

4. In order to enable the Sinking Fund to effect the same, as likewise to provide it with the necessary funds for the payment of the dividends, a sum of at least two hundred and fifty thousand guilders, shall, commencing with the year 1822, be included in the second division of the annual estimates, with the understanding, that whatever amount may remain over, after the payment of the said dividends, shall immediately be laid out in the purchase of actual debt, and the amount purchased shall be extinguished on the 1st of January of the following year.

5. Of the disposal of the funds arising from the creation of Stock authorised by the present law, an account shall be rendered in the annual statement of expenses and receipts of the State; and the justificatory accounts of the operations of the Sinking Fund relative thereto (to which the capital or annual income belonging at present or reverting in future to that fund, in consequence of the 199th article of the Constitution never shall be diverted) shall be included in a separate chapter of its usual accounts, and the amount of Stock cancelled in consequence thereof, be every year publicly made known.

We enjoin and ordain that the present shall be inserted, &c.

A Law respecting the sixth drawing of deferred Debt, to the amount of five millions of guilders, and the cancelling of ten millions of deferred debt, with the chance tickets belonging thereto, was passed on the 24th of December, 1820, to the same effect as the foregoing law of the 28th of February, of the same year given above.

**ESTIMATE OF THE NET REVENUE OF THE KINGDOM OF THE NETHERLANDS FOR
THE YEAR 1817.**

Direct Contributions.

Land tax.....	fl. 19,390,000	
Tax on persons and moveables	4,580,000	
Ditto on doors and windows	2,230,000	
Licences for trading <i>Patenten</i>	1,800,000	
		fl. 28,000,000

Indirect Contributions.

Salt duties.....	fl. 2,150,000	
Soap.....	1,200,000	
Wines	1,900,000	
Foreign Spirits	500,000	
Inland ditto	5,500,000	
Malt Liquors	3,700,000	
Vinegar	140,000	
Turf or Peat	710,000	
Coals	800,000	
Interior tonnage duty.....	600,000	
Weigh duty	600,000	
Dry measure	200,000	
		18,000,000
Registration, Stamp, and Mortgage duties	7,000,000	
Legacy duty	3,000,000	
Duty on Gold and Silver Plate and Jewellery.....	200,000	
Import and Export duties.....	5,000,000	
		33,200,000

Miscellaneous Receipts.

Revenue of the Domains	2,500,000	
..... Lottery	1,500,000	
..... Post-office	900,000	
..... Water-tolls	200,000	
..... of the Highways.....	840,000	
Securities	2,500,000	
Duty on Tea Sales	200,000	
Ditto on Cloves and Oils	300,000	
Proceeds of Domains sold under the French administration	800,000	
Sale of Warlike and Marine Stores, proceeds of the State Gazette, and <i>Staatsblad</i> , and other restitutions and incidental receipts	700,000	
Proceeds of the redemption of the war taxes, authorised by the Law of the 11th of No- vember, 1815	2,060,000	
		12,500,000
Total....fl.		73,700,000

Law for the Regulation of the Income and Expenditure of the State for 1819

WE, WILLIAM, &c.

CHAPTER THE FIRST.

Regulation of the General Estimate of the Expenses of the State for 1819.

Article the 1st.

The estimate of Expenses of the State for the year 1819, is determined as follows :

	Ordinary and Extraordinary.
1. Civil List	fl. 2,600,000
2. Secretary of State's office, and great officers of State, not belonging to any particular branch of the administration	1,315,614
3. Department of Foreign Affairs.....	797,500
4. Justice	3,500,000
5. Home Department	2,276,000
6. Protestant and other public worship other than Catholic	1,300,000
7. Roman Catholic ditto	1,800,000
8. Public Instruction, National Industry, and Colonies	1,990,000
9. Finance Department.....	27,581,000
10. Marine ditto	5,500,000
11. War ditto	19,553,030
12. Water-works (<i>Water Staat</i>) and other public works	4,490,000
Total.....	<u>fl. 72,703,144</u>

Art. 2. To meet the unexpected expenses, which might arise in the course of the year 1819, a sum not exceeding five hundred thousand guilders, is placed at the disposal of the King, to be in the first instance provided out of what the actual expenditure may fall short of the amount granted in the foregoing article; and in default thereof, if necessary, to be placed under the head of extraordinary expenses of a subsequent year.

CHAPTER THE SECOND.

Fixing of the Revenue of the State for the year 1819.

Art. 3. The following ordinary and extraordinary receipts shall be appropriated to meet the charge of the year 1819, as determined in the above.

	Estimated net Proceeds.	
Direct contributions	fl.	28,000,000
Registration, Stamp, Mortgage, and Legacy duties ...		11,200,000
Import and Export duties; Excise, including Water Tolls		23,000,000
Duty on Gold and Silver, Plate, &c.		250,000
Revenue of the Domains		2,600,000
..... both Lotteries.....		1,200,000
..... Post-office		900,000
Securities to be paid in		250,000
Proceeds of duties on Sales of Cloves and Oils.....		620,000
..... of Domains sold under the French admin- istration		50,000
..... of unnecessary Stores belonging to the De- partments and War and Marine, as also of Restitutions and incidental Receipts.		350,000
Restitution of what was furnished out of the credit of 45 millions of guilders, to secure the execution of the stipulations of the 2d article of the Law of 24 December, 1817, containing general regu- lations respecting throwing open the Tea trade..		750,000
Surplus in the Treasury on the services of 1813—1816		3,616,691 19½
Total....	fl.	72,786,691 19½

Art. 4. The taxes, duties, and revenues, stated in the above article, shall be levied and collected in the same manner as in the year 1818, until other enactments regarding them shall be promulgated and under operation.

BUDGET OF EXPENSES AS DETERMINED IN 1820 FOR TEN YEARS.

	Ordinary for 10 years. Extraordinary for 1820.	
Civil List	fl. 2,600,000	.....
Secretary of State's office	1,005,143	fl. 367,200
Foreign Department	678,790	71,500
Ministry of Justice	3,246,500	391,210 88
Home Department and Water-works.	2,267,553 42	2,309,687 50
Public worship, exclusive of Catholic.	1,325,755 65	1,115 ..
Roman Catholic ditto	1,826,159 58	101,255 5
Public Instruction, National Industry, and Colonies	1,022,355 6	885,525 ..
Finance Department.....	23,829,742 67	10,972,119 48
Navy	5,395,291 34	101,685 17
Army	16,677,762 17	2,783,148 17
Total....	59,875,052 89	17,984,446 25

Statement of the apportionment of the Land Tax, Tax on Persons and Moveables, as likewise the Duties on Doors and Windows in the different Provinces of the Kingdom, for the year 1816, annexed to the Law of 11 February, 1816.

NORTHERN PROVINCES.	Land Tax.		Total of Land Tax.	On Persons and Moveables.	Doors and Windows.
	Without Buildings.	With Buildings.			
Gelderland.....fl.	459,820	162,710	622,530	161,520	73,680
South Holland	1,039,990	937,180	1,977,170	377,310	245,840
North Holland	579,580	1,373,930	1,953,510	377,920	306,490
Zealand	434,670	104,370	539,040	84,490	67,720
Utrecht	316,230	203,430	519,660	80,470	52,710
Vriesland	984,660	194,340	1,179,000	131,710	66,000
Overijssel	243,400	91,310	334,710	94,080	36,990
Groningen	366,410	118,810	485,220	99,230	53,200
Drenthe	74,980	18,530	93,510	25,130	11,550
North Brabant	539,360	100,940	700,300	185,710	99,550
			8,404,650	1,617,570	1,013,730
SOUTHERN PROVINCES.					
South Brabant.....			1,157,640	357,240	194,820
Limburg.....			498,600	157,930	81,190
Liege			561,120	244,710	112,690
East Flanders			1,756,170	442,260	248,010
West Flanders.....			1,475,850	376,980	159,180
Hainault.....			857,850	242,100	142,940
Namur			175,350	51,140	22,110
Antwerp			749,540	226,160	153,120
Luxemburg			329,310	59,500	59,710
Districts of Ferrière and Vielselm (between Liege and Luxemburg)			16,270	7,630	3,420
..... South Namur, Ardennes, Ciney, Dinant, Rochefort, Harclange, Darbey, Everée, La Roche, Marche Nassogne, St. Hubert, and Willin, (between Namur and Luxemburg)			150,190	46,580	18,760
			7,727,890	2,212,230	1,195,960
Total.....fl.					

DOCUMENTS.

SPAIN.

*Speech of Count Torreno, as Chairman of the Finance Committee,
pronounced in the Cortes, at the Sitting of the 1st September, 1820.*

THE Finance Committee having examined the memoir and returns of the minister of this department, now presents for the deliberation of the Cortes its opinion on a subject of such weight and importance. From the moment it commenced its labours and proceeded therein, difficulties were experienced which thwarted the attainment of the object in view, and possibly the members would have despaired of their wish to correspond if the confidence reposed in them by the Cortes had not animated and sustained them throughout the whole of this arduous enterprize; previous and most delicate questions have come under their deliberation; long and painful debates have ensued, in which the Committee has endeavoured to steer clear, as well of the spirit of interest and habit which influence the conduct of some public functionaries in decisions on matters of this kind, as the vague and impertinent clamors of others, who, under the right of being heard, raise themselves up into severe censurers of measures which their own capacities cannot reach, or which, to speak of them, requires mature and careful examination, which such persons were unable to perform. The Committee in order to proceed with regularity in the essential points of the task imposed upon them, proposed to divide its labours into two parts, viz.

1. The returns and expences of the respective departments of government, and 2dly, the means of covering these expences; in the first, taking economy for the basis and principle on which they were to act, they have endeavoured to reconcile the due execution of the public service with the greatest possible alleviation of the people; superfluous and inconsistent expense, have been at once struck off, and those which in their nature were necessary and indispensable, have been curtailed, pensions at all times lavished and more particularly within the last six years to persons of little or no merit, have been suppressed, and considerable reforms have been generally adopted in all the branches of the administration. Nevertheless, the obstacles encountered at every step in search of remedies for evils produced by the vicious administration of so many ages, and the untoward and ill-applied system of later years, have prevented the Committee from carrying into effect, in the manner they could have wished, all the reforms which in another state of things they would have deemed advisable; the Cortes will however see that in the branch of expiring sinecures, in pensions as well as in the active part of the public service, the savings proposed by the Committee are considerable, and they cannot fail to approve the good with which it has been attended when they examine and find

that from 660,000,000 of Reals to which the total expenditure formerly amounted, it has now been reduced to 582,000,000, a sum very considerable if we consider the disorder that has of late reigned in the public administration, and the difficulty, not to say impossibility, which exists of suddenly healing the deep wounds which have been inflicted. This first part of their task being concluded, the Committee proceeded to the other no less important and difficult one, viz. that of complying with the obligations of the state. The Committee will not here stop to examine what kind of contributions ought to be preferred, no one of them is exempt from the radical vice of withdrawing the national riches from their natural channels, and if indirect taxes appear less burdensome to the contributors, their administration is more expensive; but in direct ones, this is again less, although their collection is infinitely more unpleasant; as long as Europe continues to keep so large an armed force as that which already exists, nations cannot establish the plans of economy so devoutly to be wished, and Spain in some measure compelled to follow the steps of other nations will have to endure the same heavy burdens. The Committee in order to render these more bearable, has examined with attention the most suitable means, convinced as the Committee is that the sudden steps of changing from one system of revenue to another different one, and not previously prepared for, far from alleviating the people, has no other effect than that of burdening them afresh and producing a considerable diminution in the revenue of the state, and fully persuaded also that precipitate reforms generally are not those which secure the felicity of the people but such only as established gradually and judiciously keep up with public opinion, insensibly improve it and finally convert it into a kind of custom; such I say being the conviction of the Committee on this principle, it has made a difference in the system that is to be put in force this year, and the one that is to be adopted in the next. Before however manifesting its ideas on these points, the Committee wishes to premise that the economical year ought to commence from July, then the accounts are given in, and at the expiration of a month after the termination of the sittings of the Cortes, which assemble in March, full time will be had for carrying into effect what the latter may determine upon. Here the Committee will speak of the finance system that is to be in force from July, 1820, to the 1 July, 1821, and under this supposition will proceed to lay before the Cortes for their deliberations certain bases, which being by them approved will serve as a groundwork for the new system of Revenue which can be carefully organized from this time to the opening of the Cortes in March; with regard to the system that is to go into operation from the present time till July next, the Committee is of opinion that it ought to be no other than the existing one with certain modifications indispensably necessary for the relief of the people, such for example is a considerable decrease in the direct taxes, the use of stamps for Bills of Exchange, &c. and an essential alteration in the revenue arising out of Crown Monopolies; adopting at the same time in union and concert with the Committee of Commerce a complete reform in the Custom House Tariffs, regulated according to the principles acknowledged most just in these matters. The direct taxes which with tolls were calculated to amount to 304,000,000 of reals will now be lowered to 152,000,000, and of these 125,000,000, are to be assessed on the people, and 27,000,000 remaining on those cities having the right of tolls, this being only half of the 54,000,000 they formerly paid. The repartition is to be paid as formerly, but the Committee will nevertheless propose some improvements which are to be insensibly introduced and will be rendered more perfect in the plan that is to be prepared for March. By this variation and decrease in the direct taxes the people no doubt will be

considerably relieved, but in this and the deficiency which will still be experienced in the other branches of revenue a deficit will result, to cover which, a loan for this year is required of 200,000,000 reals. This measure which frightens many, either because they have not well considered it, or because they are not aware of the state of things, requires on the part of the Committee a short explanation, reserving to themselves the opportunity of giving a more minute and complete one when the subject comes under the discussion of the House. To two means only do nations recur in order to recover their expenses, viz. Taxes or Loans, the first more natural and simple in happy and prosperous times may become extremely ruinous when a nation suddenly sees itself compelled to increase its expenses, as in the case of a necessary war. The encrease of 100,000,000 or 200,000,000 of Taxes would at such a time cause the most grievous evils to the people but not so the 10,000,000, or 15,000,000, of interest and the insensible reimbursement of the capital distributed on several years. In the first case the excess of Taxes affecting the capitals would not only destroy the contributor for that year, but also by reducing his means will decrease their proceeds, and the riches of the nation depending upon them, which does not take place in the case of a Loan. Spain although not threatened with a war is forced to recur to this extraordinary means. Her riches instead of encreasing have diminished through past disasters and disorders, and it is impossible to lay more burthens on the people, if certain obstacles are not previously removed and the plan of collecting the Tithes is modified, but as this modification cannot take place at present and only in the course of next year, as the Committee will hereafter propose, the measure of this Loan is now rendered indispensable. Most assuredly if this were to be repeated annually it would become ruinous, as no doubt would be the case with all nations which are not in the same situation as England was during the period of the French revolution, which if it increased her debt to a height never before contemplated, that is 1,000,000,000 sterling, (nearly) 100,000,000,000 of reals, at the same time augmented her riches in a most astonishing manner. Fortunately Spain will not have to recur every year to the expedient of Loans, since after the ensuing year she will be able to cover her own obligations as the Committee will undertake to show. Another of the branches of the public Revenue the Committee would have wished to vary or totally destroy, is that of monopolies, but the dread of deficiency has withheld the resolution. In theory no doubt reasons can be alledged to prove the freedom of monopolized branches favorable to the public revenue, but unfortunately practice is at variance. In the year 1813, all monopolies were set aside and the produce of these branches was almost nothing. France after some years of freedom has again established the monopoly of Tobacco, considering this as a most productive branch of revenue, not for this reason is the Committee a partisan of monopolies, but being of opinion that a mature examination ought to precede the change, their discussion ought to be left to the approaching meeting of the Legislature, when the system of revenue is to be arranged in a fixed and permanent manner. In the mean time the Committee will content itself with proposing considerable reforms, and which may serve to introduce the subsequent improvements to be proposed. In Tobacco the price is to be diminished according to classes, and commissioners are to be named for the sale, who are to be paid so much per cent. The officers and guards stationed in the interior for the purpose of preventing smuggling, shall be set aside and in the ultra marine provinces absolute freedom shall be established; with regard to salt all the provincial Depots being supplied, the hoardings shall be taken away and the consumer shall purchase what he wants in the warehouses, the

prices shall be low and private; manufacturers shall be allowed to export the produce of their salt works. From all these reforms advantages to the revenue will result, and at the same time less injury to the consumers; neither has the Committee lost sight of the alterations which are to take place in the administrative part, by presenting to the Cortes the plan for its establishments, pointing out those which are to remain, determining their duties, the number of persons employed they are to contain, and the salaries the latter are to enjoy. The Committee, in short, will speak in a more full and deliberate manner of all the parts of its plan when the time of discussing each of them arrives. The finance system being thus established for this year, the Committee next proceed to present certain bases which will serve as a kind of preliminary ground-work for the adoption of the fixed system of Revenue intended to operate next year. After the indirect Taxes which will then remain, either in the shape of General Revenue, Stamps, &c. or any other that may be established, the deficit will be covered by a direct contribution distributed among the three sources of public riches, Agriculture, Industry and Commerce. This distribution is to be made by collecting the best statistical data we possess, and those which subsequently may be obtained by means of a new cadastre that is to be made out. But in order to augment this contribution more particularly as regards agriculture, a modification in the Tithes must previously take place: this heavy charge, which exclusively weighs on the farmer and wrests from him more than 28 per cent. of his net product, is not only unequal, but in the state of the progress in which the new institutions and measures corresponding to them are about to place the nation, tithes will be an obstacle that will greatly retard the improvement of agriculture, and this grievance will then weigh much less than it does at present on the people, and will increase in proportion to the encouragement given to agriculture and the cultivation of new lands, more particularly when progressively this extends to the barren ones, and tillage is more generalized. Nevertheless, the Committee, fearful of acting with too great precipitation, for the present only proposes a reduction or modification in the tithes, which it wishes the Cortes to approve; the greater or lesser latitude that is to be given to this modification is to be determined by them, when in the next legislature the finance plan is to be proposed for their deliberation. With a certain modification in Tithes the Committee has already approximatively calculated that, after completely providing for the clergy and parish priests, and made the necessary increase in the direct contributions, there will be a saving to the agricultural classes with regard to what they now pay of about 200,000,000 of reals. Another basis which the Committee proposes for the distribution of the direct tax among the manufacturing and mercantile classes, is the method of *patents*, the difficulty of ascertaining correctly the profits of these classes, particularly the mercantile one, and the evils which would result to them from prying into their operations and examining their books, have determined the Committee to propose this basis as the best to obtain from industry and commerce the quota that corresponds to them, the indirect contributions may then experience the suitable variations and improvements; the Committee, finally recapitulating all above stated, will again observe to the Cortes that its plan comprehends three parts viz.

1. An examination of the expenditure, and a retrenchment upon it of 128,000,000 of reals.
2. That as the economical year is to commence in July of this year, the existing contributions are to be left standing till July, 1821, deducting for the relief of the people one half of the direct contributions, added to a considerable improvement in the monopolies; and in order to cover the deficit,

proposing a loan of 200,000,000 of reals, after having perfected the administration and rendered the Tariffs uniform, in union and concert with the Committee of Commerce.

3. A proposal of certain bases, which being approved by the Cortes, will lay the foundation for the labours of a general and complete plan of finance, in which, at the same time that the whole expenses of the State are covered, no deficit may result by adopting as a principle the modification of the tithes.

The Committee, after manifesting to the Cortes the plan offered for their consideration, will not conclude without giving an assurance that it will immediately proceed to the regulation of the public credit, as so intimately connected with the present plan, and in a matter so grave and important, it will adopt the principles of justice and convenience compatible with the state of the nation. It will propose means for the extinction of the immense debt that weighs upon us, but from this it will separate the Dutch debt, which for the present is not to be extinguished, conformable to the wishes of the creditors, but the interest paid with all due punctuality. By which means the public credit being secured, and those errors destroyed which are daily heard on this subject, and the country cleared from the immense national debt, by means as economical as they are politic, Spain will find, whenever she needs them, sufficient resources to comply with all her arrears and obligations; with this plain exposition, the Committee thinks the Cortes will be convinced, that by the adoption of its general plan, saving those improvements their wisdom may suggest, the expenses of the year will be covered, and the expenditure of the succeeding ones will be provided for; further trusting, that if the measures are approved, which are to be proposed for the extinction of the Spanish debt, and the payment of the interest on the foreign one, the riches will be increased by the division of property, the love of the new institutions will daily augment by the great number of those interested in their preservation, and the happiness of Spain will be founded on solid and unalterable basis.

BUDGET FOR THE FINANCIAL YEAR, COMMENCING ON THE 1ST OF JULY, 1820.

	Reals.
The King's Household	45,190,000
Ministry for Foreign Affairs.....	12,000,000
The Interior	8,410,375
The Colonies.....	1,368,235
Justice	11,131,110
Finance	173,351,669
War.....	355,450,915
Marine	96,000,000
Total	702,802,304
The total Revenues	530,394,271
Deficit.....	: 172,408,033

DECREE OF 29TH NOVEMBER, 1820.

FERDINAND VII., *by the grace of God and the Constitution of the Spanish Monarchy, King of Spain, to all whom these presents may concern—know, that the Cortes have decreed as follows :*

The Cortes, by virtue of the powers granted to them by the Constitution, have decreed :

Art. 1. The National Debt is composed of Credits, with and without interest.

Art. 2. The Credits, with interest and their approximate amount, are those resulting from Statement No. I.

Art. 3. The Credits, not bearing interest, are those comprehended under the denominations and items contained in Statement No. 2.

Art. 4. The annual interest on the aforesaid Credits, is now at 3, 4, 5, 6, 7, 8, and 9 per cent. ; but henceforwards, all the same shall be reduced to 5 per cent., and the capitals respectively increased or diminished, in order that the holders may always receive the same amount of income originally stipulated ; but, when paid off, this shall be done according to their primitive value, which shall be expressed on the Credits, without stating whence they proceed.

Art. 5. For this purpose, as well as to clear up the debt, and free it from all improper claims, and also to retain and cancel the Credits belonging to the State, by the measures already or hereafter to be adopted, all the national creditors, either on account of capitals and interest unpaid, or pay, pensions, supplies, or from any title previous to 1st July in this year, shall present their documents proving the same to the National Junta of Public Credit, or their Commissioners in the Provinces, in order that they may be acknowledged through the medium of the Board appointed for this purpose, so as to have new vouchers issued for the same, a point specially enjoined to the public offices.

Art. 6. All the legal claims against the State shall be acknowledged, although they may have been presented for liquidation during the time of the intrusive Government, and may exist in warrants of mortgage, or any other species of paper, provided the date thereof is anterior to the irruption of the French into the Peninsula.

Art. 7. These documents shall be of two classes ; credits with, and credits without interest.

Art. 8. The creditors who do not present their documents for examination and renewal, previous to 1st July, 1821, shall not be allowed to do so afterwards ; nor can their credits be acknowledged without a special decree of the Cortes, or the latter think proper to extend the term granted.

Art. 9. The office of liquidation shall issue, in favour of these creditors, a certificate shewing the presentation of their documents, intended to serve as a temporary voucher, and for the uses hereafter mentioned, and till the same shall be liquidated.

Art. 10. The interest on the debt due, shall be scrupulously paid on 1st July and 1st January, half-yearly, out of the means already appropriated to this purpose, and which appear from Statement No. 3. ; or such as may hereafter be appropriated, commencing from July, 1821.

Art. 11. The capitals of the debt without interest, shall be extinguished out of the property and funds contained in Statement No. 4, or such as may

hereafter be applied to this purpose, through the medium of public auction ; but not out of any other property, much less effective money.

Art. 12. These sales may be effected and made payable at stated periods, and in third parts ; the first in money when the contract is closed ; the second at the expiration of a year ; and the third at the end of two ; in the auction sale he however is to be preferred, who may offer shorter dates and better conditions, and particularly if he engages to pay in ready money. The sales on credit shall be immediately closed, the necessary deeds of sale made out, and the purchasers put in possession of their estates, the latter binding themselves to pay to the department of public credit, 2 per cent. annually on the amount purchased and not paid, for the property remaining under mortgage, till the whole capital and interest shall be paid up.

Art. 13. The owners of credits, with interest, who may wish to extinguish them by this means, shall be allowed to do it, by choosing, previous to 1st July, 1821, whether they wish to have their credits consolidated, or transferred to the public debt.

Art. 14. Those who make the first choice shall be inscribed on the great book of the Consolidated Debt the National Junta is to open, and they shall receive, instead of the documents they may possess, equivalents which shall be entitled, "Inscriptions, of the Consolidated Debt," and these inscriptions shall be of four classes, viz.—of 2,000, 6,000, 10,000, and 20,000 reals each.

Art. 15. In order that the holders of Royal Vales may be left at full liberty to act as they choose with regard to the contents of the preceding two articles, all the existing vales, or exchequer bills, shall be reduced to the class of common bills, and the interest of those unconsolidated shall be paid in paper, from the time they were placed on this footing in 1818, and the consolidated ones in money.

16. From the preceding articles are excepted, annuities ending with the lives of the present possessors and the credits belonging to property in mortmain, or such of which the capital is not disposable, but not such as may belong to private individuals or interest arising therefrom.

Art. 17. In the liquidation and issue of the new documents, great attention shall be paid to the following points, viz.—1. The debt of capitals and interest belonging to town lands and grain depots of the monarchy, shall be retained and incorporated with the mass of national property. 2. All the fixed property, rights, rents and shares of pious endowments, now vacant, or which may hereafter become so, and which are not entailed on any family, as well as all hermitages, sanctuaries, brotherhoods, memorials, or foundations (not spiritualised or appropriated to the ministers of the altar), as well as all other pious establishments, except hospitals, houses for foundlings and orphans, infirmaries, houses for education, or such as may belong to private families and individuals, or the dowries of maidens, shall, from the present time, remain applicable to the extinction of the public debt, and the National Junta of Public Credit shall take possession of and sell the same, administering them till sold, and paying in the mean time, the expenses of justice ; but in the ultra-marine provinces, no compulsory process shall be instituted against farmers, miners, and other persons who may have taken up money at interest, belonging to charitable institutions, convents, &c. as long as they pay the same. 3. Consequently the capitals arising out of the property sold, and belonging to the aforesaid establishments, and also the income arising therefrom, excepting what may be due to chaplains, shall be retained and disposed of, and the same rule shall be observed with regard to those of the monks.—4. The Junta shall present to the Cortes, at the legislature of next March, an explanatory and full statement of all that concerns this great portion of the

National Debt. 5. The National Bank of San Carlos, the Philippine Company, and the five privileged trading Companies, called *Gremios*, shall receive in payment of all due to them, the number of credits equivalent to the same, in order that by the two first distributing them among their respective shareholders, and the latter among those who have claims upon them, the same may be inscribed on the national debt, or that without interest, conformably to regulations prescribed in Articles 11 and 12.

Art. 18. The decree and royal orders are hereby revoked and annulled, which prohibited the agio on vales and paper money, and the circulation of all credits shall be free at the rate men and circumstances may give them; and the negotiations and contracts of all kinds shall remain subject to the conditions and stipulations each person may think proper to give to them.

Art. 19. All certificates shall be received in the purchase of property, which may prove that the requisite titles and documents of the credit have been presented for liquidation and acknowledgment; but on condition that the contract shall not be closed till the final liquidation and acknowledgment of the titles, referred to in the said certificates, shall have taken place, and the same are presented in payment, when they shall be liquidated in preference to all others.

Art. 20. A sinking fund shall be formed for the purpose of progressively extinguishing the consolidated debt, out of the following means:—First, the annual surplus of the produce of the appropriations already made, and intended for the payment of the consolidated fund, and the same shall be applied, by means of a lottery, to the payment of inscriptions equal to the said surplus; but all are to have the same chance: second, the national edifices and property which do not command a ready sale at public auction, shall be raffled for in exchange for consolidated credits, under a corresponding value: third, reserved pensions, glebe-rents, and masses, as well as all perpetual or temporal charges now belonging to the nation, or the public credit, by virtue of the reform of the regular orders, properly belonging to the royal patrimony, the Inquisition, the redemption of captives, temporalities of the Jesuits, pious institutions, sanctuaries, memorials and foundations already applied, or which may hereafter be applied, to the payment of the public debt, and arising out of property and income of private dominion, can be redeemed with consolidated credits: fourth, the capital of the revenue known by the name of *regalia de aposento* on the houses of Madrid, can also be redeemed by consolidated credits: fifth, it shall be equally allowed to redeem with consolidated credits, the rents known by the name of *Poblacion de Grenada* and *Canones*, paid by the settlers on the Sierra Morena and new settlements in Andalusia: sixth, there shall be applied to this Sinking Fund all debts due to the Treasury for *lanzas* and *medias-anatas* till the close of 1819, which those indebted may pay to consolidated credits, from the present time till January, 1822, under the provision that this term being expired, no other payment will be received than in money: seventh, Towns shall be allowed to pay up in consolidated credits all arrears till the end of 1819, after the determinations of the Cortes have been carried into effect with respect to other means of discharging the same.

Art. 21. These redemptions of charges, which may be temporary or redeemable at the will of those holding the same, shall be done at the rate of 33 $\frac{1}{3}$ in the thousand; at the rate of 66 $\frac{2}{3}$ for the *foros*, and every other charge that may be perpetual in its nature or by the stipulations of the contract, and the capitals of both in consolidated credits shall be delivered into the National Junta of Public Credit, and remain extinguished.

Art. 22. The National Junta of Public Credit shall be entrusted with the execution of this decree and all others intended for the extinction of the public debt, and shall also take care to pay the interest progressively and establish national credit; and there shall be two legal counsellors named by them to be consulted on legal points which may occur in the disposal of property, or the redemption of charges and imposts.

Art. 23. The independence of this Junta with regard to the management of property, does not prevent it from being under the inspection and supreme vigilance of the Government, through whose channel they shall communicate with the Cortes, and to whom proposals are to be made for the filling up of the vacant seats of directors, general controllers, &c.

Art. 24. The Junta shall present to the Cortes at the first Legislature, a plan of the administration of the affairs entrusted to them, and of the establishment of offices in the capital and provinces, clerks and salaries assigned them, in order that the system may be regulated on an economical plan.

Art. 25. The Government and Junta of public credit, in themselves and with the approbation of the Cortes, will take all the necessary measures for the early liquidation and acknowledgment of the debt due in the Ultra-marine Provinces, and for the administration and sale of the property which, by virtue of the present decree, may be applicable in those countries as well as the Peninsula, to the extinction of the public debt, informing the Cortes, at the next Legislature, respecting the most advisable plan to adopt with regard to money payments for property sold in those countries, with whatever else may be expedient on this subject.

Art. 26 In order that the plan of public credit may be carried into effect in the ultra-marine provinces, two subaltern Juntas shall be established, one in Mexico for the whole of North America, and islands adjacent, and the other in Lima, for the Southern Division, each one composed of three persons, with their necessary offices, so as to act in their respective districts, and under the same regulations as the National Junta of the Peninsula.

Art. 27. These subaltern Juntas shall be dependent on the National Juntas, correspond with them, and be held answerable to them for the observance and execution of the orders given for the incorporation and sale of property applicable to the national credit, under the same rules as in the Peninsula, and to them they shall forward annually the accounts and statements in the form prescribed, &c.

(Signed)

CANGA ARGUELLES,

Madrid, Nov. 9, 1820.

STATEMENT, No. I.

Public Debt of Spain, with Interest.

INTEREST.	ITEMS.	CAPITALS.
17,999,905.	Perpetual Pensions	1,200,521,565
6,608,327.	Alcabalas, &c.	224,507,286
5,023,036.	Recompence for Offices sold	250,000,000
937,600.	Dowry of Infante Don Pedro	30,000,000
2,750,311.	Credits and Pensions of Philip V.	180,223,602
61,027,478.	Vales Reales	1,525,686,964
50,131,056.	Property sold of Pious Establishments	1,671,035,232
17,144,000.	Foreign Loans	291,750,000
25,661,768.	National Idem	576,868,305
10,512,475.	Securities for Offices, Private Pensions, and Deposits	134,705,172
13,777,674.	Pensions for Life	167,032,698
24,393,109.	National Bank, five privileged Companies, Philippine ditto, and Canal of Tauste	502,451,539
235,966,639		Reals.. 6,814,780,363

STATEMENT, No. II.

Amount of Debt without Interest, arising out of Interest unpaid, and floating Debt of the Treasury.

Perpetual Pensions	269,999,725
Securities	1,666,425
Pious Establishments	651,703,728
Grants for Life	123,999,066
Privileged Trades	73,392,510
Bank	169,783,515
Loans	124,815,600
Excise on Tobacco	84,345,814
Idem, Redeemable by Individuals	38,504,340
Loan of Spanish Merchants	24,960,000
Idem of Individuals	22,360,000
Free Pensions	14,040,000
Royal Vales	837,059,480
Arrears of the Treasury to 1815	3,834,161,825
Consolidation Scripts	35,000,000
Floating Debt of the Treasury	900,000,000

Total Debt without Interest..... 7,205,792,028

In the above statements are not included the arrears of the debt due in Holland, as they depend upon the mode which Government and the Cortes will determine for their discharge, conformably to the resolutions of the Cortes.

STATEMENT, No. III.

List of the Appropriations for Paying the Interest.

1. All the rents, rights, and shares of vacant *encomiendas* belonging to the four military orders, including that of St. John of Jerusalem.
2. The Commanderships of the military orders.

3. The proceeds of the estates, rights and revenue of the Inquisition.
4. The surplus of the proceeds of the revenues of convents and monasteries, the pensions of the members being first paid.
5. The income of all vacant ecclesiastical benefices and prebends in the whole monarchy, and besides a year's pay from all incumbents, according to the regulations already stated.
6. All the former means appropriated in the Ultramarine Provinces, to the Old Consolidated Fund, as long as the same shall subsist.
7. Arrears due to the Old Consolidated Fund.
8. Fees on grants in Spain and in the Ultramarine Provinces.
9. One-fifth part arising out of the Cruzada bulls.
10. One-half of the revenue of vacant bishoprics in Spain and in the Ultramarine Provinces.
11. One year's pension attached to the orders of Charles III.
12. The lead mines.
13. The ecclesiastical economatos.
14. The quicksilver mines of Almaden, without detriment to existing contracts.
15. The mines of Rio Tinto.
16. 1500 reals of fees for the habit in the military orders, and in that of Isabella the Catholic; and 2000 for the use of foreign Insignia.
17. Simple benefices.
18. The proceeds arising out of pious establishments, and secularised property, till sold.
19. The proceeds of the Albufuera estate.
20. The proceeds of suppressed estates as not being deemed necessary for the recreation of his Majesty.
21. The proceeds of the valley of Alcudia.
22. The proceeds of all mines belonging to the State.
23. The amount of the revenue arising out of ecclesiastical property transferred to the public credit, until sold.
24. The proceeds of the estates of the last Duchess of Alba, and all others that may be hereafter transferred to the nation, as well as those of Don Manuel Godoy.
25. The revenue of prebends and all other ecclesiastical benefices, held by persons residing out of the Spanish territory, unless employed by Government.
26. The royal patrimony of Valencia, or in any other part of the kingdom.
27. The sale of the Segura woods.

STATEMENT, No. IV.

List of the Means appropriated to the extinction of the Debt.

1. Estates belonging to the temporalities of the Jesuits.
2. The estates belonging to the *encomiendas* and commanderships of the military orders, including that of St. John of Jerusalem, now vacant, or which may hereafter become so, through the death of the present possessors.
3. The jewels and estates called of the Crown, and those existing in the royal palaces, not necessary for the recreation of the Royal Family.
4. One half of the commons and waste lands belonging to the Crown.
5. The estates of the last Duchess of Alba, and others that may be incorporated with the nation.
6. The valley of Alcudia.

7. Property belonging to the Inquisition.
8. The property of suppressed monasteries and that of the other regular convents extinguished through the late reform.
9. The value of the national manufactures of Guadalajara and Brihuega cloths, glasses of St. Ildefonso, and silks of Talavera.
10. The national edifices not necessary in Madrid.

Royal Ordinance for determining the prices at which Tobacco is to be sold, on account of the National Treasury.

The King, empowered by the decree of the Cortes of the 29th of June last, to establish the prices at which smoking tobacco should be sold, has fixed upon the following rates :

Brazil tobacco, at 10 reals de velon per lb.	
Havannah segars 50	
D ^o in leaves, manufactured in the Peninsula, 30 d ^o	
Havannah and Virginia leaf ditto mixed, ...	20 d ^o
Guatimala ditto 50 reals	
Ditto manufactured in the Peninsula, 30 reals	
Virginia segars manufactured in the Peninsula, 14 reals, &c.	

ESTIMATE OF THE FINANCIAL YEAR (*ano económico*.)

The King has directed me to make known the following decree:

Don FERDINAND the 7th, by the Grace of God and the Constitution of the Spanish Monarchy, King of Spain, to all those who may see or hear these presents, does make known, that the Cortes have decreed as follows :

“ The Cortes, By virtue of the power granted them by the Constitution, have decreed the estimates of the expenses for the financial year, commencing on the 1st of July next, and finishing at the end of June, 1822, to be as follow :

<i>Royal Household.</i>	<i>Reals vellon.</i>
For the establishment of H.M. the King	40,000,000
... Expenses of the Queen's Bedchamber	640,000
... the establishment of the most Serene Senor Infante D. Carlos Maria	1,650,000
... Expenses of the Bedchamber of the most Serene Senora Infanta Dona Maria Francisca de Asis, his wife	600,000
... the establishment of the most Serene Senor Infante D. Francisco de Paula	1,650,000
... Expenses of the Bedchamber of the most Serene Infanta Donna Luisa Carlota, his wife	600,000
... the establishment of the most Serene Senor Infante D. Carlos Luis, son of the Princess of Luca ..	72,000
	45,212,000

The following parties must be discharged with Government paper not bearing interest, for the purchase of National Domains.

The most Serene Senor Infante Don Carlos, 11,000,000 of arrears of the suppressed allowance of 150,000 ducats, granted for the maintenance of Senor D. Gabriel, from the treasury, and to be added to his estates.

To the same Senor Infante, 80,000 hard dollars, for the portion promised by the marriage contract with Senora Infanta Dona Maria Francisca de Asis.

To the most Serene Senor Infante D. Francisco de Paula, the balance resulting from the annuity of 50,000 ducats, not paid from the entrance of the king into Spain, until the end of June, 1820.

To the same Senor Infante, for balance arising from the unpaid 30,000 dollars for the expenses of the Bedchamber of the Infanta Dona Luisa Carlota : the 120,000 Neapolitan ducats of her marriage portion, discharging the amount brought to Spain by the first wife of H.M. : the 600,000 reals of the counterportion ; and the balance of the 80,000 hard dollars granted for jewels.

Ministry of State (Foreign Department).

For salaries of the Secretaries of State & expenses . . .	815,000
... ditto of the 19 Ministers at Foreign Courts, 19 Secretaries, and 14 Under ditto	4,682,000
... extraordinary expenses of same by estimate . . .	3,259,551
... Salaries of 40 Consuls	1,445,000
... extraordinary expenses of same by estimate . . .	557,412
... 31 discharged and superannuated officers	304,700
... 22 widows of deceased servants	163,150
... Salaries of two Auditors at Rome, various persons employed in the Palace and about the Court, two Introducers of Ambassadors and the Interpreter	234,000
	11,460,813

Ministry of the Government of the Peninsula (Home Department).

For salaries of the Secretary's office and charges . . .	1,132,500
... printing of decrees and circulars	70,000
... individuals discharged on half pay	63,000
... rent of houses containing the archives of the Lands, Granaries, and Forests	70,000
... Salaries of the public officers, Secretaries, and expenses in the provinces	6,953,400
... unforeseen expenses	1,000,000
... arming the national militia	3,000,000
... persons lately employed at the Accomptant General's office for lands and duties	264,346
... various establishments of public instruction as well general as particular	3,146,000
... Salaries of the Direction for the general protection of the kingdom, its expenses, veterinary school, pay of the officers of the suppressed administration of accounts and granaries, discharged servants of the two suppressed offices of forests & plantation, and relief to farmers for damage from locusts, hail storms, and other calamities	2,920,673
... expenses of public charitable and beneficent institutions, asylums for deaf and dumb and blind	

children, hospitals, infirmaries, prisons, extraordinary expenses for the preservation of health, lazarettos, vaccination, &c. until the provinces concur through the medium of their deputies, to the respective institutions	8,286,000
For Salaries of the clerks and administrators of the posts in the provinces, assignment of 15 and 20 per cent. to the conductors of despatches, cost of the post-offices of the kingdom, management of the high and cross roads, rents of houses, ordinary charges, extraordinary couriers to foreign countries and the interior, and those which may be dispatched by the political chiefs; travelling expenses of his Majesty to Sacedon, &c.	13,656,665
(then follows a list of the roads above alluded to).	
... Salaries of engineers, institutions and expenses of the school of road and canal engineers, to provide against the breaking down bridges & archways, overflowing of rivers; for which purposes a sum of 19,970,000 reals is applied, besides 2,514,540 reals intended for the benefit of the city of Madrid, in consequence of having taken charge of her respective establishments of the above nature	22,484,540
... the Canal of Castille leading to Valladolid, and the one from Campos to Rioseco and Leon, independently of the means already at hand	3,000,000
... the Canal of Aragon, independently of its present revenue	1,500,000
... the Canal of Manzanares.....	1,500,000
... the Map of Spain	342,074
	69,363,155

Administration of the Ultramarine Government.

For Secretary of State's office, with expenses, general archive of the Indies, existing at Seville, missions, two additional writers, and two others which have been substituted for the suppressed office of Clerk of the Archive of New Spain	1,699,500
--	------------------

With respect to the Missionaries, their remission is left to the prudence of the Government, referring in that respect to the Phillipine Islands.

Ministry of Worship and Justice.

For Salaries of the Secretaries of State, over and above the charges and clerks included in their districts	899,500
... the Council of State, Secretary's office, clerks and servants, as provisionally approved by the Cortes, deducting the salaries of the two reverend Bishop's councillors	5,110,000

For Expenses	100,000
... Salaries of the Ministers, Attorney General, and subaltern of the Supreme Tribunal of Justice...	2,273,299
... Expenses attending upon ditto	48,000
... Salaries and Attorneys of the Court (<i>audiencia</i>) of Madrid, according to the plan laid down by the law of the 9th of October, 1812	870,000
... ditto of that of Valladolid	554,000
... ditto Grenada	554,000
... ditto Seville	554,000
... ditto Valencia	554,000
... ditto Estremadura	554,000
... Aragon	554,000
... The Asturias	446,000
... Majorca	446,000
... Navarre	554,000
... Galicia	554,000
... Catalonia	554,000
... the Canaries.....	446,000
... the subaltern officers of the Courts, leaving the distribution and appointment to the judgment of the Government	1,709,474
... Expenses of the Courts of Justice, the distribution of which is left to the Government, according to the circumstances of each case	390,000
... dismissed officers	1,845,481.11
... Collars of the Fleece	51,200
	19,620,954.11

Ministry of Finance.

For Salaries of the Secretaries of State of the Peninsula, and beyond the seas, and other charges....	1,792,107
... salaries and expenses of the clerks, and charges of administration, distribution of the dividends, Secretaries, discharged officers, pensions, &c.....	108,207,893
... the payment of the deposits remaining in the treasury, as desired by the Cortes	10,000,000
... interest of the debt in Holland	15,000,000
... ditto of the Paris loan, by Messrs. Ardoin, Hubbard & Co.....	15,000,000
... Prizes on the same.....	6,000,000
	156,000,000

The different items constituting the amount designated under the head of Administrative and Distributive Charges of the Rentes, have not been specified, the whole having received a new organization, which must be presented to Government and the Legislature of the year 1822, which includes not only the different departments of Finance, but also of the General Treasury, and the Exchequer, the above sums comprising also the charges of the manufacture and purchase of Tobacco, Salt, &c. with the particular charges at-

tending each rente, as also the number of discharged clerks, with the salaries continued to them, independently of the individuals receiving pensions.

Ministry of War.

For the active service of 66,835 men & 7899 horses	}	355,450,916
... the auxiliary service.....		
... the passive service		

The 50 articles to which according to the new organization to be given to the Army, the above expressed amount must conform, are not resorted to, on which account the sums appropriated to each of the three above mentioned services will experience some variation, with the exception of the item of founding, mounting, and establishing the artillery, and that of the fortifications, the former of which will amount to 15 millions and the latter to 10 millions.

Ministry of Marine.

For Salaries of the Secretaries of State and expenses....	765,500
Officers of the Navy	7,552,480
Staff of ditto	319,126
Companies of Marine Guards	536,573.32
Astronomical Observatory of Cadiz.....	103,620
Hydrographic Repository	120,360
Infantry corps of the Marine, individuals of every other description, and invalids.....	4,503,365
Artillery corps of the Marine and other individuals of all classes	3,269,854
Manufacture of 224 canons	1,014,208. 6
Post Captains and first and second Adjutants	1,284,480
Discharged officers of the Marine, Courts of Justice, and cancelling of the registers.....	1,391,721
Pilots and Coasting service.....	486,439. 6
Ministry of Marine, or Military Finance of the Marine	3,386,292
Cost of the <i>Materiel</i>	378,186.30
Priests, vicars, curates, chaplains, and sextons.....	373,509
<i>Materiel</i> of ditto	9,656
Physicians and surgeons, exclusive of those on board	546,400
Surgical and Medicinal college	281,429.14
Individuals in the hospitals and expenses of the infirm	1,120,897.20
Pensioners, half pay invalids, including 1082 of the Marine school, and 3900 life annuitants and or- phans	7,355,232.17
Commission for cutting wood, purchases of hemp and tar, and charges	164,019
Engineers of the Marine.....	494,040
Cost of <i>Materiel</i> for the repairs of the ship San Julian, auxiliary vessels, packets, &c.	7,580,887
Expenses of the Arsenals	4,890,355
Wages to ship builders	9,584,553
Wages to other persons employed.....	1,165,235
Cost of 15 armed vessels, 4 golettes building, 4 brigs, and 5 packet golettes	14,595,219.18

For Consul and extraordinary expenses 6,000,000

In the above estimates are included the expenses of individuals, amounting to 66,414,555 reals 8 $\frac{3}{4}$ mrs. and those of the *material* to 12,859,074 reals 30 $\frac{1}{2}$ mrs.

The former Cortes ordered the construction of 20 vessels of war, and appropriated for the first charges 15 millions of reals, which the Ministry of Marine was authorised to receive, or has still to expect; to complete the construction of said vessels a further sum of 10 millions is wanted

10,000,000

89,273,639 7

Expenses of the Cortes

8,133,240

RECAPITULATION.

Civil List (Royal Household)	45,212,000
Ministry of State	11,460,813
Ministry of the Government of the Peninsula	69,363,155
..... beyond the Sea	1,699,500
Ministry of Worship and Justice	19,620,954 11
Ministry of Finance	156,000,009
Ministry of War	355,450,916
Ministry of the Marine	89,273,639 7
Expenses of the Cortes	8,133,240

Total....reals vellon 756,214,217 18

CIRCULAR ON THE SUBJECT OF THE LOAN, DATED

11TH JULY, 1821.

The Cortes being desirous to provide sufficient means for the payment of the obligations of the State, authorised the Government, by decree of the 27th ult., to effect a loan not exceeding two hundred millions of reales. In order to accomplish this measure, the King has ordered that a Junta, composed of the Directors of the Public Credit, of the Chief Treasurer, of the Accountant-general of the Treasury, of the representatives of this Junta of sundry capitalists, and of the Directors of the Bank of San Carlos, of the Phillipine Company, and of the five *Gremios*, should meet under my presidency on the 5th instant, at the National Bank of San Carlos, when all persons assembled, animated by the noblest and most patriotic sentiments, resolved by acclamation that the Loan should be a national one, and appointed a Committee to lay down the necessary regulations to that effect; which, after having submitted them to the Council of State, and obtained the approbation of his Majesty, have determined as follows:

Art. 1. The capital of this loan shall be of 341,880,000 reals de vellon, and shall consist of 170,940,000 reals in specie, and 170,940,000 reals of the principal of the national debt, bearing 4 per cent. from the present day, inclusive of the interest upon them.

Art. 2. This capital shall be divided into 113,960 shares of 3000 reals

each, half in specie and half in paper, transferable and endosable; the same as any other transferable document.

Art. 3. The government will secure six per cent. interest in specie upon the 341,880,000 reals of the capital above mentioned.

Art. 4. The Committee to be appointed in Madrid on behalf of the contractors, to direct and administer this loan, and to be entirely independent of the government, but shall only divide annually amongst the share-holders five per cent. interest, payable every six months, and shall reserve the remaining one per cent. for charges of administration, and the surplus remaining of this one per cent., after deducting said charges, shall serve to form a lottery for the benefit of the share-holders, in the manner and periods as shall be appointed by the Committee.

Art. 5. This loan shall continue eleven successive years, and shall be reimbursed in the last ten years of its duration, at the rate of 34,188,000 in each year, the reimbursement to commence on the 1st of July, 1823.

The bonds to be paid off and extinguished every year shall be determined by lots, for which purpose the whole shall be divided into one hundred series; ninety-nine of which to be of 1139 bonds, and the hundredth series to be composed of 1199 bonds, all of following numbers; and the shares, the numbers of which are comprised in the ten series drawn, shall be those which will be paid off, extinguished and cancelled each year.

Art. 6. For the punctual and faithful payment of the annual interests on the capital of this loan at the appointed periods, the government mortgages generally all the revenues of the State, appointing more particularly for their payment

18 millions of reals of the proceeds of the customs,
14 ditto income of salt,
12 ditto land tax; and
10,700,800 reals of the produce of the stamps.

Art. 7. In consequence of which, from the moment of the completion of this loan, there will be withdrawn from circulation, and extinguished the 170,940,000 of interest bearing debt, employed in the payment of one half of the capital of this loan; this amount will have to be delivered to the Junta of Public Credit, for the purpose of being cancelled, and so that by such means the said Junta will save in future the payment of the interest thereon; promising and covenanting in the most solemn manner to mortgage in favour of this loan, the securities mentioned hereafter, and which are valued as low as possible at the stated amounts; it being perfectly understood that no part thereof can be taken, until the entire reimbursement of this loan by the government.

Account of the Securities assigned to this Object

Albufera or the Lake of Valencia.
The Commons of la Alcudia.
The Estate of la Screna.
The Mines of Almaden.

Revenues.

Of the Piedrabuena.
Valencia del Ventoso.
Puertollano.
Houses of Calatrava.
Acehual and Rivera.
Belvis de la Sierra.

Vivoras.

Bolanos.

Penausende.

Of the Order of St. John, of the Receivership of Valladolid.

The income of the same order, receivable in Madrid.

Pine Plantations.

Those ceded by his Majesty in the Royal Domain of Saint Ildefonso and Balsain.

Those of Segura de la Sierra.

Art. 8. The National Treasury shall deliver monthly, beginning from the first month of each financial year, in receipts at the charge of the provincial treasuries, the proportional amounts corresponding with the four designated proceeds, in order that the first recovering thereof may be applied to the above purposes, in preference to any other engagements.

Art. 9. The Committee of this loan shall take care to receive punctually from the Treasury those monthly receipts, and to realize them by collection or sale at the least possible expense.

Art. 10. The dividends on this loan shall commence from the day on which the lenders shall receive the orders of the amount of their shares upon those charged to deliver them, and who shall, in the shortest possible time, give to the lenders, separate warrants to the amount of the annual interest corresponding to the respective bonds, and payable to bearer for the benefit of the holders.

Art. 11. The Commissioners of this loan shall have the faculty of antici-
pating the payment of these dividend warrants, taking them at the current discount.

Art. 12. The payment of the interest and the reimbursement of the capital, shall take place in Madrid; yet should any of the holders prefer to receive them in their respective provinces, they may apply to the Committee, and come to an arrangement with them on the subject.

Art. 13. The Committee shall take care to transmit to the National Treasury the effects and moneys which the subscribers have paid in for the amount of their shares; and shall likewise consult with them in regard to the proportion of specie they will have to receive.

Art. 14. Until there be a sufficient number of subscribers to form a Committee for the management of this loan, the government shall appoint five individuals to receive the amount paid in by the subscribers, to whom they shall deliver receipts or temporary vouchers, until the bonds be printed and made ready, and shall entrust in the capitals of the provinces the management of these concerns, and other points which may be considered necessary, to the corporations, or to persons deserving of such confidence.

Art. 15. As soon as 5000 shares shall have been subscribed, the participators in this loan, or their attorneys, who hold ten or more shares, shall assemble to proceed to the appointment of the individuals who are to compose the Committee charged with the realization and the extinction of this loan, and who must be contractors.

Art. 16. The bonds of this loan shall be signed by the Treasurer-General and by the Accomptant of the Treasury in favour of the Committee.

Art. 17. The Committee shall regulate amicably with the subscribers the amount of the balances resulting from the amount of the government securities paid in for one half of the value of the shares, in order to avoid by that means any disturbance and confusion in the public offices.

Art. 18. For the interests due on the capitals and effects above mentioned, until the day on which they are paid in to the Committee, there shall be delivered to each person interested, a printed certificate, stating the amount and proceeds, for which he shall be considered a creditor of the State; and this document, acknowledged by the establishment of the Public Credit, shall circulate as the above credits of the recognised Public Debt, without interest.

Art. 19. In order that foreigners may also participate in the benefits of this loan, it shall remain open to them for the space of three months, and no longer.

His Majesty has appointed for the Committee, mentioned in Article 14, the Directors of the above-mentioned Bank, Don Joaquin Maria Ferrer, Don Manuel de la Torre and Rauri, Don Gabriel Balez, Don Andrés Callaberos, Don Francisco Crespo de Tejada; and on the part of this Junta, Don José Francisco Muguero Yribarren as Governor.

The King, sensible of the noble disposition which has animated this meeting and the capitalists of this heroic city, in concurring so efficaciously to procure the resources necessary to equalize the receipts of the Exchequer with the public expenses, by means which may support the reciprocal interests of the State, is persuaded that this example will serve as a stimulus for the imitation of other meetings and capitalists, for the completion of this operation. His Majesty has directed that the present circular be dispatched in order that those who wish to participate in its utility may be enabled so to do, and render at the same time a service to the public treasury.

I communicate the present to you, by royal command, for your information, and to make the necessary communications, &c.

Madrid, 11th July, 1821.

**EXTRACT FROM THE REPORT OF THE MINISTER OF FINANCES, LAID BEFORE THE
CORTES IN THE SESSION OF THE 5TH OF MARCH, 1822.**

Land Tax (Contribucion Territorial.)

The produce of this tax was fixed by the decree of the 29th of June, 1821, at one hundred and fifty millions; the proceeds of the tithes were taken as the basis of its repartition, from whence arose the first obstacle to the verification thereof, since their amount was not exactly known, owing to the different modes of collecting them.

The imperfections of the apportionment of this tax gave occasion to various complaints of surcharges, and a deficiency in its produce from the original estimate of 70,719,567 reals, to the end of December, 1821, was the immediate consequence of the defective individual estimates. To ascertain the exact amount of a just division of this tax amongst the landed proprietors must be the work of time, and it were therefore desirable in the mean while to adopt a project of repartition amounting only to 120 millions, which project being transmitted to the provincial administrations for inspection and observation, might form the basis of a more perfect system of contribution.

House Tax (Contribucion sobre casas.)

By the decree of the Cortes of the 29th June, this tax was fixed at 30 millions, but only produced to the end of December 986,953 reals. In order to

cover the amount fixed for the produce of this contribution, it will have to be assessed at about 25 per cent. of the amount of the rents, as follows :

The value of all houses was estimated in the memorial presented to the Cortes in 1821, by Arguelles, at.... 17,495,770,000

And the rents thereon at 2 per cent. estimated at..... 349,915,400

From which must be deducted one-third part for Farm-houses, which being comprised in the Land-tax, are not liable to this contribution.....116,638,466 22

And another third for empty houses and under repair, according to the regulations of the decree of the Cortes ...116,638,466 22

233,276,033 10

Leaving the amount upon which the tax is to be collected reals 116,638,466 22

Thirty millions of contribution upon this amount, will correspond to about 25½ per cent.

And according to the census taken in 1797, being the only data to which we can refer, Spain contained 1,949,577 habitable houses, which taken at an average of ten thousand reals, make their total value..... 19,495,770,000

And the rent thereon at 2 per cent 389,915,400

Deducting two-thirds as above, would leave the net amount of rents to be assessed 129,971,800

Requiring 23 per cent. thereon to cover the sum stipulated by the decree.

Trading Licenses (Patentes).

The same, and even other causes than those above mentioned, have tended to render the proceeds of this tax less productive than was anticipated, because it was a new one; whereas that upon houses formed before part of the system of contributions of the kingdom: the whole produce thereof, to the end of December last, only being about 572,560 reals and 19 mrs. There is reason to hope however, that considerable improvements will take place in the receipts arising from this tax, but its produce cannot be calculated at more than 14,375,000 rs.; taking the population of Spain at 11,500,000 inhabitants, and one fortieth part thereof as persons engaged in trade, subject to this tax, will give 287,500 contributors, who paying on an average 50 reals each, annually, will make the above sum of 14,375,000.

Contribution of the Clergy (del clero.)

This contribution fixed at 30,000,000 reals by the decree of the 29th of June, only produced, to the end of December 5,583,804 rs. 23 mrs. The repeated representations of Diocesan Juntas, respecting the endowments of the clergy, and the apprehension that a want of funds might paralyze public worship in a nation so pious as the Spanish, have been the causes that the Government has not availed itself of all the means placed into its hands by the Cortes, for the recovery of this tax; more particularly since from the want

of data and correct information of the produce of the *medio diezmo*, it was not possible to ascertain the amount of the revenue of the clergy. It is not known how much their rents have increased by the *medio diezmo* of the laymen.

It is therefore indispensable, 1st. that the Diocesan Juntas should give an accurate account of the produce of the *medio diezmo*, and first fruits of the current year. 2d. That they also furnish one of the manner of its distribution, distinguishing that portion which has been applied to the maintenance of the clergy, from that destined to public worship. 3d. That the produce of the lay tithes be averaged, taking for basis the five years from 1816 to 1820 inclusive. 4th. That the value of the mortgages of the churches by dioceses be also investigated, through the medium of Government Commissioners; and fifthly, that these different statements be collected one month before the meeting of the Legislature of 1823.

Arrears of Tithes.

At the same time that the Cortes, by their decree of the 29th of June last, reduced the tithes and first fruits to one half, they also renounced that part thereof collected by the Treasury; however there have been recovered for first fruits previously existing, and for arrears of former years, in the second financial year to the end of December, 8,225,525 reals, and the estimated amount of recoveries was taken at 20,000,000.

This debt, though not known or liquidated, is partly of very old standing, and arises from balances of accounts, or from contracts of corn or money, or other agreements secured by mortgage, some recoverable and others not; rendering the receipts thereof more or less difficult, and which, proceeding as has been hitherto the case, will retard their recovery more than the necessities of the Exchequer can well admit of; and I have therefore to propose that the Cortes should authorise the Government to treat with the debtors respecting the liquidation of the balances they owe.

INDIRECT CONTRIBUTIONS AND MONOPOLIES.

Tax on Consumption.

In the decree of 29th June, respecting this tax, the Cortes estimated it at 100,000,000, to be raised on the consumption of wine, vinegar, brandy, and spirituous liquors, oil, and meat. These 100,000,000 distributed amongst 8,000,000 consumers, gives $12\frac{1}{2}$ reals annually per head. The sum to have been received during the first six months of the financial year, should have amounted to 50,025,000 (50,000,000) but only was 16,773,129 rs. 29 mrs.; and the deficiency of 33,251,871, arises from causes not easily removed, and is owing to numberless difficulties in the way of establishing new duties; but these taxes, when duly collected, will form a certain resource upon which the treasury will be able to calculate in order to cover part of its engagements.

Monopolies.—Tobaccoes.

The statements, accompanying the accounts of the Director, shew that the produce of the first six months of the present financial year, was 12,373,859 rs. 19 mrs., whilst that of the same period of 1819 was 35,480,294 rs. and from them the Cortes will perceive the progressive increase in these six months, taking into consideration the different prices at which tobacco is sold at

present: and it is to be hoped, that aided as this branch of the revenue will be, by the improvement in the qualities, it will soon produce as much as in former times.

Salt-works.

In the first six months of the year 1819, the proceeds thereof were 33,814,901 rs. and in the first six months of the present year 17,605,831. The quantity of salt sold in the first period amounted to 860,840 fanegas, of which 115,863 are computed to have been employed in salting meat and fish, and in the second period 763,452, of which 89,841 have been used in the fisheries; comparing the consumption of both periods, there appears a difference in quantity of 97,388 fanegas, and of 16,207,070 rs. in value, arising from the price of the home consumption being reduced to 20 rs. and for pickling to 6. However, it is to be hoped that the proceeds of the whole year will be equal to those of 1819, since, in the first six months, 89,841 fanegas have been exported.

Saltpetre and Gunpowder.

By the Royal Ordinance of the 23d of August, 1821, the celebrated contract with the Company of Cárdenas, for the manufacture of saltpetre and gunpowder, was rescinded. The Cortes, by decree of the 19th of May of the same year, declared the manufacture of gunpowder to be free, reserving to the government what was necessary for the service of the War Ministry, and confiding to the artillery corps the refining and manufacture of saltpetre.

Lottery and Post-office.

In the administrative system of the public finances, it was decreed by the Cortes on the 29th of June, 1821, that the proceeds of the lotteries should be united to those of the Post-office; and government, in consequence of that determination, instructed the Directors of both these departments to confer with the Minister of Finances about the means of effecting such a union.

In the first six months, from the 1st of July to the

31st of December, 1821, there have been liquidated from the old lottery.....	3,858,473 rs.
And from the new one	2,914,230 ..

Together.....	6,772,703
---------------	-----------

The <i>jugado</i> in the same period for the one and the other has amounted to	17,813,861
--	------------

The proceeds of the post for the half year have been	10,605,545 rs.	14 mrs.
That of the tolls	2,361,103	8

Total.....	12,966,648	22
------------	------------	----

And the expenses of that branch of income have been 1,078,447: it is necessary to observe here that the estimates for the Post-office were 13,346,966, and for tolls 843,128. 12; the difference arises from the whole of the salaries and administrative expenses being included in the last sums, whilst the original estimates only comprise part thereof.

Establishment of the Mint.

By the decree of the 25th of June, 1821, the *Casas de moneda* were converted into places for coining money, from which period they began to produce the good effects contemplated, by the government renouncing the paltry considerations of former times, in which part of the produce of their labours were taken as resources or revenues of the state. National tables have in consequence been formed to regulate the intrinsic value of the precious metals, and also not to exact more than one and half per cent. for remedy of coining; *elaboracion de la moneda*.

It is true however that in the short time which has elapsed since that decree, its benefits have not been able to be duly appreciated, and the activity of the mint not been called in question; since the loan opened in the year 1820, by the houses of Laffite, Ardouin, Hubbard & Co. allowed the Bullion in payment thereof to be taken at a very high price, for which reason it was preferred to receive it in gold coin of France, thus depriving Spanish industry of that profit.

It must not be passed over in silence that in consequence of the particular attention bestowed to that subject in Madrid, already by the latter end of October, the change in the constitutional money was completed, and the nation has seen with pleasure that the coin of 20 rs. which has commenced to be issued, is one of the best which could have been put into circulation. Still one thing more was necessary to promote these important establishments, namely, to create a centre of action and information capable of assisting the government in its operations, but more particularly to watch over the progress and prosperity of the mint. The decree of the Cortes of the 22d of November, 1821, by establishing the general directing Junta, composed of well informed individuals and especially interested in the improvement of the measure, completed the work; and the nation will soon experience the happy result of such efficient dispositions.

Soon after the establishment of the Junta, and whilst occupied in collecting data and information, as well on the state of the several mints of the kingdom, as with regard to the best and most esteemed methods in practice throughout Europe, they found it necessary to devote all their attention to complete effectually and without loss of time the complicated operation of withdrawing and recoinage the French half Louis d'or; the circulation of which was pointed out by the decree of the extraordinary Cortes of the 19th of November last, as being so injurious to the national interest; Commissioners were appointed in all the provinces to receive these half Louis d'or, and in order to diminish difficulties and surmount obstacles, the government found it expedient to issue two instructions, on the 22d and 24th of December, one of which stipulated for a short prolongation in the time appointed for withdrawing these coins, and the second established other offices besides those of Madrid and Seville, for recoinage the money; such has been the activity with which these operations were proceeded in, considering the existing means and obstacles encountered, that according to official statements of the General Junta, there had been received to the 17th of February last, in the three mints of Madrid, Seville and Bilboa more than 16,000,000 of reals and returned to private individuals in new money for a value of 16,072,003 rs.

As soon as the Junta shall have terminated the interesting labours with which they are occupied, relative to all matters of the new money, they will present to the government and to the Cortes the plans they shall consider most likely to forward rapidly a branch of industry of such an important nature.

Customs.

The decrees of the Cortes in the session of 1820, on the subject of this important branch of national revenue, and of the general duties, were published by the government without loss of time; the necessity of adopting various reforms was acknowledged as well with regard to prohibitions, valuations, and duties, as with the general regulations of the customs.

The Junta, in the first place, presented to the consideration of the Cortes an account of the former resources derived from the customs, when they formed a considerable part of the public revenue, as in the year 1787, that is five years after the establishment of the duties called *Recopilados*, they yielded 186,557,418 reals, including 27,449,246 reals of duty on wool; or as in the year 1796, when they produced 233,680,954 reals, including 82,369,397 of the like duty.

Such immense revenues were owing to the maritime peace, interrupted in the following year, and to the general prosperity of Spanish commerce, which since that time has continued gradually to decay, as will appear evident by referring to the five years from 1803 to 1807, when on an average they only amounted to 102,621,836 rs. they improved somewhat in the five years from 1814 to 1818, when they averaged 106,538,532 for the customs only, and to 61,260,083 rs. for particular duties belonging to various other branches; and declined considerably in the year 1819, when their proceeds amounted to 83,532,104 of duties from the Customs, and 53,927,190 for other particular duties; it has not been possible yet to collect the particulars of their produce for 1820.

In 1821, when the new system of duties decreed by the Cortes, in 1820, was in force, the customs of the peninsula, not comprising those of the Balearic and Canary Islands from whence the statements have not been received yet, produced 80,993,329 rs. 13 mrs. as follows.

From Foreign Importation	66,447,704	22
„ Foreign Exportation	12,309,224	11
Consumption on trans-marine produce	14,737,094	05
Coasting Trade	7,162,351	25
Navigation Duty	336,954	18

80,993,329 13

The salaries and charges of management have amounted to 6,068,502 19, thus reducing the above sum to 74,924,826 28.

It is to be feared that in the current year the proceeds of the customs will not reach the amount produced in 1821, if we consider the languishing state of the national trade, the diminution which has taken place in our intercourse with the transmarine provinces, and the obstacles so disgracefully interposed to the navigation of our mercantile marine.

(The minister then proceeds to suggest sundry measures by which the Customs may be rendered more productive; the most important of which is as follows.)

That the prohibition on importation be modified according to existing circumstances; that upon the principle laid down by the extraordinary Cortes, the duties upon linen be diminished, so that in national vessels they do not exceed 24 per Cent. and in foreign vessels 30. The deliberations of the Cortes will necessarily be employed in the consideration of the arguments adduced by the partizans and opponents of the prohibitive system on matters of such vast importance. Those manufactures which we are entirely without, or which we do not possess in such perfection as other countries,

cannot be created or perfected by prohibition only. It is by the employment of sufficient capital, by applying the knowledge arising from the sciences of chemistry and mathematics to the principles of manufacture, by employing dexterous and intelligent workmen that can produce such articles as we are deprived of, or improve those which want perfecting, that it can be accomplished sooner than by prohibition; and until this be done, prudence recommends that smuggling be not fostered by the imposition of exorbitant duties equivalent almost to absolute prohibition.

Stamped Paper.

This branch is committed to the care of the Director of the registration duties, being so intimately connected with them. The receipts of the revenue for the first six months of the current financial year amounted to 4,161,418 rs. and should the next half year not produce more there will appear a diminution when compared with the receipts of 1820, of 3,043,681 rs. This reduction can in the opinion of the government be ascribed to no other cause than the institution of Courts of Arbitration, *juicios de conciliacion*, which have added new links to society, and by whose means domestic disputes and dissensions find an expeditious and amicable mode of adjustment; the government may therefore have just cause of applauding itself in the diminution of the proceeds of stamped paper.

On the other hand there is no doubt that should the use of Stamps be extended according to some newly proposed regulations, their produce will in future amount annually to twenty-four millions.

Bill Stamps.

The produce of this impost in the first half year has been 219,074 rs. the government has well-grounded hopes that the proceeds of this branch of revenue will increase, since bills are the only species of documents exempted from the registration duty, it is natural that they will be preferred to any other description of mercantile paper, which according to the 14th article of the law of registration are all subject to a certain duty per Cent.

Registration Duties.

From the beginning of August to the end of December these have produced 4,654,101 rs. 12 mrs. which amount may be considered as the revenue of one quarter only, since the months of July, August, and September, have scarcely yielded any thing. It follows thence that should the produce of the remaining six months be in the same proportion, the annual income will be 11,635,253 13, that is 68,364,701 rs. 21 less than the estimate; but calculating upon the progressive improvement of this branch of the revenue, it may fairly be deduced that the total proceeds of the present year will be from 15 to 16 millions, and that of the following one from 20 to 24.

Receipts and Disbursements of the Public Treasury in the first Financial Year.

For arrears previous to the 1st of July, 1820.

Direct Contributions	106,371,338	22	
Indirect Ditto	37,923,981	21	
Revenue and Items not comprised in the estimates decreed by the Cortes in 1820	5,067,216	1	
			149,363,036 10

Revenue belonging to the first financial year.		
Direct Contributions.....	87,240,868	32
Indirect Ditto	256,109,192	1
Loan of 200 Millions	119,911,040	28
Revenue & items not included in the estimates of the Cortes	24,283,850	10
Deposits, Securities, Loans, &c. ...	104,062,196	3
	591,607,148	6
For Balance remaining at the end of June, 1820.	52,775,875	25

Receipts of the first financial year. 793,746,060 · 7

With regard to the receipts made by the treasury in the first year of the restoration of the constitutional monarchy; it is observed by the accountant of the Exchequer :

1. That the receipts on account of deposits, securities, loans, &c. must not be considered in the light of productive branches of revenue.

2. That the balance on the 30th of June, 1820, must not be looked upon as consisting wholly of ready money, a great part thereof being in unrealised Bills.

3. That although the contributions of persons in office has only produced 398,564 rs. 22 mrs. it proceeds from the discounts of this imposition being employed in the payment of the salaries at the General Treasury and in that of the provinces; which is one and the same thing to the nation, since the diminution of the charges is equivalent in one instance to the augmentation in the proceeds of the other.

4. That in these amounts are only comprised the effective receipts in cash arising from the various branches of the revenue, but not their total proceeds; so that the difference noticed between the amounts in the statements of the accountant of the receipts and those of the heads of the various departments, must not be considered as deficiencies.

The comparison, exclusive of the arrears is as follows.

<i>Direct Contributions.</i>	<i>Estimates by the Cortes.</i>	<i>Effective Receipts.</i>	<i>Decrease.</i>	<i>Increase.</i>
General Contribution - - -	125,000,000	74,508,846 1	50,491,153 33	- - - -
Subsidy of the Clergy - - -	15,000,000	- - - -	15,000,000 -	- - - -
Tithes - - - - -	80,000,000	11,397,061 27	18,602,938 7	- - - -
Third part, <i>pensionable de Mitras</i> - - -	8,000,000	- - - -	8,000,000 -	- - - -
Duties - - - - -	4,000,000	606,922 9	3,393,077 25	- - - -
<i>Casa Apostolica</i> - - - - -	500,000	206,250 -	293,750 -	- - - -
Securities - - - - -	1,500,000	123,324 7	1,376,775 27	- - - -
<i>Indirect Contributions.</i>				
Port Duties - - - - -	27,000,000	18,399,953 -	8,600,047 -	- - - -
Customs - - - - -	80,000,000	102,275,391 33	- - - -	22,275,391 33
<i>Indulto Cuadragesimal</i> - - - - -	1,500,000	1,149,827 9	350,175 25	- - - -
<i>Cruzada</i> - - - - -	16,000,000	7,743,407 12	8,256,592 23	- - - -
Post Office - - - - -	10,000,000	8,085,018 24	1,914,981 10	- - - -
Lotteries - - - - -	10,000,000	5,956,236 28	4,043,763 6	- - - -
Stamped Paper - - - - -	16,000,000	9,929,968 11	6,070,031 23	- - - -
<i>Monopolies.</i>				
Tobacco - - - - -	70,000,000	50,838,625 27	- - - -	32,109,134 20
Salt - - - - -		48,798,969 27		
Small Revenues - - - - -		2,471,539 -		
National Printing Office - - -	1,000,000	460,253 32	539,746 2	- - - -
Totals.	415,500,000	342,951,496 9	126,933,030 10	54,994,526 19

For the reasons above stated the contributions of the persons in office are not included in the above; it follows, 1st. That the taxes decreed by the Cortes were fixed at 415,500,000 reals; 2d, that they only yielded 342,951,496 reals 9 maravedis, or what amounts to the same thing, 72,548,503, or 25 mrs. less than was estimated; 3d, that this difference appears less, because the customs and monopolies produced 54,384,526 reals 19 mrs. more than was calculated upon, and this encrease compensates in a great measure for the deficiency in other branches, which amounts to 126,933,030 reals 10 mrs.; 4thly, that adding to the above stated amount of 72,548,503 reals 25 mrs., the sum of 108,894,271 reals for charges of administration, included in the estimates of the minister of finances, whereas the Cortes, in their decree of the 6th November, 1820, only calculated the net proceeds of the duties, it will appear that the actual deficiency amounts to 181,442,774 reals 25 mrs.

This amount is very considerable, particularly when it is taken into consideration, as it ought to be, that at the end of the financial year, there must, and actually do remain, various arrears of direct contributions, and different proceeds of one kind or the other to cover. So that in every way important reflections arise which claim the attention of the legislature: the first as to the danger of calculating upon resources in some measure uncertain, because by doing so, the most serious inconveniences may ensue; and the second, the necessity of keeping always in view that the nature of the contributions, and particularly of the direct ones, does not nor can admit, of such a perfect system as to expect the recovery of the total amount voted within the year for which they were intended.

The distribution of the receipts proceeding from them, and of the other resources of the first financial year have been made, in paying arrears of the preceding one, and in the discharge of those due in the same, according to the respective accounts of disbursements, as follows:

For Arrears previous to the 1st of July, 1820.

Civil List	12,040,737	3
Foreign affairs	2,964,593	4
Interior	1,513,107	
Transmarine provinces	188,234	7
Worship and Justice	3,438,825	26
Finances	25,884,114	21
War	49,373,584	8
Navy	9,074,880	9

Sundries.

Repayment of anticipations to the treasury ...	11,392,303	4
Supplementary repayments	134,778	
Treasury bills issued before the 1st of July...	2,266,374	

118,271,531 13

For Charges of the first Financial Year.

Civil List	28,391,700	23
Foreign Department	8,932,572	8
Interior	19,182,072	
Transmarine provinces	669,357	26
Ministry of Worship and Justice	10,354,692	28

Of Finances *	165,752,317	3
War Department	318,400,407	25
Navy	55,673,424	20
<i>Sundries.</i>		
Repayment of advances to the treasury	52,982,767	6
Ditto of the Loan of 40 millions	3,766,533	10
Supplementary repayments	480,656	11
Amount of receipts not effective	1,268,375	22
	665,957,886	12
Total amount of payment	784,229,417	25

Receipts and Disbursements of the Public Treasury in the first six months of the second Financial Year.

Receipts.

For arrears anterior to the 1st of July, 1820..	21,511,214	20
Arrears of the first financial year	96,060,691	23
Revenue belonging to the second financial year	221,691,812	8
Deposits, securities, loans, &c.	17,560,434	5
Balance remaining at the end of June, 1821..	22,597,332	27
	379,421,485	15

The Accountant General of the Exchequer observes by way of note—1st, that the receipts included under the item of small revenues, comprise 5,379,720 reals for amount of quicksilver. 2d, that amongst the sums received on account of the national loan, stated at an amount of 93,240,360 reals 30 mrs. there are comprised 45,528,535 reals 31 mrs. of acknowledged credits upon the State, agreeably to the conditions of that loan: 3d, that the receipts of some of the provinces have not been included for several months for want of the requisite accounts. 4th, that the actual amount of the revenue and productive resources of the State, has not exceeded 209,529,858 reals 32 mrs. having deducted from that amount the receipts arising from the loans, deposits, securities, &c. and the arrears anterior to the 1st of July, 1820, and of the first financial year.

The receipts of the first six months of the second financial year, from the respective sources of income and branches of the revenue, have not exceeded 91,957,952 reals 23 mrs. This amount must be compared with the estimates of the Finance Committee appointed by the Cortes, as follows:—

Land-tax	150,000,000
Tax on houses	30,000,000
Tax on consumption	100,000,000
Patents, trading licences	30,000,000
Registration and stamps	60,000,000
Tobacco and salt	80,000,000
Bulls of the Church	16,000,000
Post-office and lotteries	30,000,000
Duty on the Clergy	30,000,000
Customs	70,000,000

* In which are included the salaries and charges of all the branches of the administration.

Half-year's pay on Civil appointments	1,000,000
Duties <i>Lanzas</i>	4,000,000
<i>Regalia de aposento</i>	500,000
Fines, <i>Penas de Camara</i>	1,000,000
Effects <i>de Camara</i> and securities of functionaries .	1,500,000
National Printing-office.....	1,500,000
America	60,000,000

Total for one year 665,000,000

The half of which is 332,500,000

There only have been received in the first 6 months 91,957,952 23

Leaves a deficit of 240,542,047 11

Without the recoveries which may be made in the second half year, on account of the first year.

The disbursements are regulated as follows :—

	For charge of the first financial year.		Charge of the first six months of the second year.
Civil List.....	14,346,476	....	278,666
Foreign affairs.....	709,861	....	3,087,392
Home department.....	2,091,995	....	13,906,042
Ultramarine ditto.....	212,286	....	164,736
Ministry of Worship & Justice	6,431,988	....	2,332,964
Ministry of Finances	26,561,702 *	. .	89,700,331 †
War department.....	34,257,507	....	108,110,921
Navy	6,987,427	....	11,695,622
Cortes			1,795,540
<i>Miscellaneous.</i>			
Restitutions	30,000	....	19,987 31
Ditto of the loan of 40 millions	3,506,239 33	....	.....
Repayment of advances to the treasury....	15,305,349 21	....	7,862,495 25
	110,440,831 20	....	238,954,697 22

Making together 349,395,529 reals 8 mrs. Such are the results presented for the first six months of the second financial year. Ministers could have wished to have laid before the Cortes an account of the receipts to the moment of their assembling, or at least to the end of February; but such was impossible, as they depend upon the accounts to be delivered in by the provincial collector, after having united, in every instance, the results of the operations of each month, &c.

* In the sum paid for this estimate is included 369,750 reals, due for the loans of 1820, and 160,321 reals for the amount of sundry charges belonging to the establishment of the public credit.

† This sum includes 2,620,260 due for the loan of 1820—2,735,040 for 4 per cent. commission on the National loan—1,538,460 for interest on the same—42,798,495 reals paid in in paper, on account of that loan—and 33,464 for other incidental charges on the same.

LOANS.

FIRST of 1820.

In the Memorial presented to the Cortes at the commencement of the session of 1821, an account was given of the loan, contracted by the Government with the houses of Lafitte & Co. and Ardouin, Hubbard, & Co. of Paris; and the favourable results of that negociation were pointed out. It is only necessary to observe here that the receipts of the treasury, as well in the first financial year, as during the first six months of the second, arising therefrom, were highly necessary for the purpose of meeting the engagements of the State, as will be seen by referring to the dates and amounts of the payments.

SECOND. *National.*

By the decree of the 27th of June, 1821, the Cortes authorised the Government, in consequence of the representations made to them to that effect; to negotiate a loan not exceeding two hundred millions of reals, upon the most advantageous terms, and to render an account thereof to the Cortes.

The Government was desirous of contracting this loan with Spanish citizens, with the laudable intention that the benefits accruing therefrom to the subscribers should be enjoyed by our own capitalists; by offering beneficial employments to private wealth; and by embracing this opportunity of interesting more and more in the consolidation of public liberty, those destined to experience, and who did already enjoy, its beneficial effects.

The result corresponded in some measure with the wishes and hopes of the Government. At a meeting of a mercantile body, and of the greatest number of illustrious individuals, it was unanimously declared that the loan should be a national one, and a committee was appointed to lay down the plan upon which it was to be effected. (The Minister then proceeds to enumerate the terms as detailed in the original decree, at page 182, but adds) that this negociation could not be completed, and find a sufficient number of subscribers to fill up the desired amount; and whilst carrying into effect, accounts were received of the important events, of which one of the most valuable Spanish settlements became the scene; and nearly at the same time the yellow fever began to interrupt mercantile intercourse in one of our principal commercial cities, and to carry death and desolation amongst its industrious inhabitants.

Thirty-four thousand four hundred and eighty-eight shares, amounting to 103,464,000 reals, half in specie, and half in interest bearing paper, were the result of this negociation; a result, under all circumstances, favourable to the national spirit which dictated it, and no less creditable to the managers, from the able manner in which it was conducted throughout its negociation.

THIRD, *with the House of Ardouin, Hubbard & Co.*

When the Government received the authority of the Cortes for the negociation of the loan mentioned in the decree of the 27th of June, with condition that it was not to exceed two hundred millions—it considered the importance and delicacy of such an operation, and the necessity of inspiring confidence in the speculators through the medium of public opinion; they could not but feel that the fulfilment of this contract rendered necessary the establishment of a great Book of the public debt, similar to what other European nations possessed, the creation of a Sinking Fund; the appropriation of some particular branches of the national revenue to those establishments, and the reduction or conversion of the whole or part of the foreign debt to a new loan, or the funding thereof for the purpose of being inserted in the great Book;

and these considerations induced the Government to make a communication to the Cortes on the 27th of June, requesting that the authorization of the same day might be extended to the above four mentioned points ; in consequence of which the following resolution of the Cortes of the 28th of June, was made to me.

“ The Cortes taking into consideration the message of your Excellency, of 27th instant, particularly as regards the realization of the loan of two hundred millions, rendering it necessary to establish a great book ; create a sinking fund ; apply some of the public revenues to these establishments, and reduce the whole, or part of the foreign debt into a new loan, and that it be funded, in order to be included in the Great Book ; have determined to authorise the Minister of Finances to adopt such measures as may be necessary, in order that the loan may be realized in the most convenient and advantageous manner for the nation.”

It has been seen that the national loan did not produce more than three-tenths of its amount, and the last day appointed for the subscription remaining open having arrived, without the possibility of completing it, the government was placed in a state of the greatest anxiety, on finding itself deprived of the means so urgently required, and without any sort of resource whatever, and when the clamours of the functionaries in the finance department, in their solicitude for providing the funds for the exigencies of the State, and the importunities of all classes for the payment of their arrears, had placed the government in the most critical situation, the preservation of the State called upon them most imperiously to adopt some prompt and efficacious measures.

Had these circumstances not been public : had the result of the operations of the National Treasury in the receipts and disbursements of the first six months of the second financial year, as presented to the Cortes, not made them apparent ; and had the deficiency in the estimated proceeds of the contributions and voted revenues for the same year, not more and more confirmed them, it would have been easy for ministers to have shewn by the correspondence which took place in that month of affliction and anxiety with the other branches of the administration, with the general treasury, and with the chiefs of the provinces, the indispensable necessity in which the government was placed to make use of the authority committed into its hands by the resolution of the Cortes of the 29th of June.

A contract was concluded on the 22d of November last with the house of Ardeuin, Hubbard & Co. of Paris, and a convention entered into with them for the fulfilment thereof on the 31st of December following, copies of which were transmitted to the permanent deputation of the Cortes, from which it will appear that said House has engaged to furnish the sum of one hundred and forty millions of effective reals (with a deduction of four per cent. commission) by paying thirty millions on the 1st of January last, twelve millions on the first days of February, March, April, and May, fourteen millions on the first of June, July, and August, and fourteen millions four hundred thousand reals on the 1st of September.

With these hundred and forty millions, and with the sums in specie, proceeding from the national loan, the government has not exceeded the amount of two hundred millions stipulated by the decree of the Cortes of the 27th of June ; and it must be added here, before concluding this subject, that the contractors have completed the payment on the 1st of January and 1st of February, with the punctuality necessary for the discharge of the engagements of the treasury, and have even anticipated considerable sums before the arrival of said periods ; the government on its part has accomplished, and is ready

to fulfil its part of the stipulations of the government; and that amongst the resources to cover the estimated expenses of the present year, the loan concluded with the house of Ardouin, Hubbard & Co. is included.

Estimates of Expenses for the following Financial Year.

The King convinced of the necessity of reducing the expenses as much as possible, has commanded the preparatory labours to accomplish that object, and has charged all the Ministers to make the estimates with the greatest regard to economy.

In the first place a special Committee has been appointed, with instructions to proceed to the regulation of salaries upon a more suitable footing than the present, so as to be commensurate to our actual situation, as well as to the nature of the occupation of the public functionaries. This preparatory measure will, in the opinion of the government, facilitate the reduction in the estimates, because they apply principally to those individual emoluments which absorb a great part of the revenue, and are more susceptible of reform than the expenses occasioned by any material objects of the public service and the administration.

The charge made to the ministers proceeds from the knowledge of the diminution in the revenue; from the deficiency which the payment of the estimates will in consequence experience, and from the present impoverished state of the nation, and for that reason his Majesty has conceived it necessary to recommend a reform in all the branches of expenditure which were at all susceptible thereof.

From these necessary retrenchments, however, the King has ordered to except the required expenses for the increase of the naval forces, and for continuing the canals of Castilla and Arragon, and the navigation of the Guadalquivir. And this exception is prudently founded on the political and mercantile encouragement which must be granted to our navy, when it will emerge from the languishing state in which it has remained so long, so as to be able to afford to our national commerce the necessary protection, and to make the Spanish flag and name respected in our ultramarine provinces; and unless the progress of our national wealth be facilitated and fostered, the welfare of the contributors can never be promoted, nor the pressure of the impositions be removed, which are laid on for the purpose of discharging the obligations of the treasury.

(Then follow the estimates of the expenses for the ensuing year, namely)

Civil List (being the same as the preceding year).....	45,212,000
Foreign Affairs	9,506,035

On comparing this estimate with the one approved of for the current year, amounting to 11,460,813, there appears a saving of 1,954,778 rs. and a difference of 2,493,965, when compared with those of the preceding year, which saving arises from reductions and rectifications in sundry items of the former estimates.

Home Department	67,375,983 22
Deducting charges of Post-office, roads, &c. included in the finances	14,190,094 12

53,185,889 10

The estimates of the present year being 69,363,155, there is of course a reduction of 1,987,171 rs. 12 mrs. in this branch.

Administration of the government of transmarine provinces	1,354,200
In which there is a saving of 345,300.	
Ministry of Worship and Justice	23,107,860 19
This amount presents an increase of 3,486,906 8 upon the estimate for the present year, owing to some changes which have taken place in the Courts of Judicature, &c.	
Ministry of War	361,747,137
Although the Cortes only granted to this Ministry, for the present year, a sum equal to that of the preceding one, namely, 355,450,916, yet the estimates presented at the commencement of the Session of 1821 amounted to 367,169,907, and the above is consequently 5,422,770 rs. less.	
Ministry of Marine	104,335,192 26
The estimates exceed those of the current year by 15,061,553 19.	

Ministry of Finances.

Secretary of State	1,505,261
Treasury and its dependencies	1,797,899
Board of Receipts	538,696
Board of Payments	1,078,304
Accomptant-General's office	1,294,950
Accomptant-General of the Indies	417,648
Commissioners for the liquidation of arrears of the Treasury and the classification of half pay	424,906
Commissioners	1,567,474
Joint Functionaries or Committees	703,004
Assignment	103,530
Board of Works	550,000
Various payments	734,307
Retired allowances	18,552,266
Pensions	9,274,595
Montepio de Oficinas	5,858,800
Deposits	10,000,000
Presidios	7,076,715
Loans	69,768,280

This amount includes the interests on the loans in Holland, those of 1820, of the national one of 1821, and of the 140 millions of the present year, as well as the annual rent anticipated to the same house, conformably to the contract for the conversion of all the loans into perpetual annuities; but by another calculation, the amount of those interests on the whole debt converted into perpetual annuities will be 75,980,142, and will require besides 24 millions for the sinking fund, thus in all 99,950,142.

Incidentals	10,000,000	
Salaries and charges of management	113,763,457 12	
		255,010,092 12
Cortes, as in the second year	8,133,240	
Total charge	861,591,646 33	

Such, and so exorbitant is the sum necessary for the payment of all the branches of the public service in the next financial year. If compared with that laid before the Cortes at the commencement of the Legislative Sessions of 1821, the important excess of 118,694,012 reals 10 maravedis, will appear, since the last estimates, only amounted to 742,897,634 23. But this increase of expenditure proceeds from the amount assigned by the Cortes in their decree of the 19th of May last, for the payment of the deposits being included in the estimates; from the large sums intended for the purchase and manufacture of articles of monopoly being comprised; and lastly, because the interest on the debt has been considerable increased by the loans.

Contributions necessary to meet the estimated Expenses.

Land Tax	150,000,000
Tax on the Clergy	20,000,000
Arrears of Tithes	10,000,000
Tax on Houses	10,000,000
Patents	12,000,000
Consumption Duties	100,000,000
Tobacco	65,000,000
Salt	39,000,000
Customs	60,000,000
Registration Duties	30,000,000
Stamped paper	18,000,000
Church Bulls	12,000,000
Lotteries	10,000,000
Post-office	10,000,000
Duties, half-yearly, deduction on appointments to office, &c.	4,000,000
Total	550,000,000

In treating upon each of these branches of revenue, the modifications of which they were susceptible for the benefit of the contributors as well as of the public treasury, have been developed, and it is not necessary to repeat them here; but as regards the 550 millions at which the proceeds of the contributions and revenues for the following year have been regulated, it is necessary to add the amount of the salaries and charges of administration as above

113,763,457 12

Total amount of receipts	663,763,457 12
The estimated expenditure is ..	861,591,646 33
Deficiency	197,827,198 21

To cover this deficiency the government does not intend to propose the slightest augmentation in the charges which press upon the productive classes and the contributors, nor to have recourse to loans, which at first are pleasingly deceitful, but for the future excite painful regret, and impose heavy and durable grievances ; the proper and most just measure, and the only one which a nation desirous of avoiding its ruin should adopt, and which prudence recommends, is a similar one to what is adopted by the anxious father of a family, who sees his property diminished by a series of misfortunes, and whose expenses exceed his income ; that of reducing the former to the latter ; such must be the measures to which we must have recourse, &c. &c.

(Signed) FELIPE DE SIERRA Y PAMPLEY.

Madrid, 1st March, 1822.

DOCUMENTS.

KINGDOM OF NAPLES.

Report made by the Minister of Finances to the National Parliament, on the Debts and Receipts of the State, on the 1st of July, 1820, presented at the Session of the 9th of December, 1820.

GENTLEMEN,

IN my report of the 5th of October, I presented to the National Parliament the situation of the finances on the 1st of July, founded upon the Budgets and accounts of the year 1819, and of the first six months of the year 1820; and I demanded the necessary funds for that service.

I am about at present to submit to the National Parliament a detailed statement of the debits and credits of the State at the above-mentioned period: the labour was difficult, owing to the haste with which it was required to be made out; but it will be interesting by the clear, precise, and faithful account it gives of the financial administration at that period.

It is divided into four parts, namely—

1. The Consolidated Debt;
2. The Debt liquidated and to be liquidated, for the purpose of being consolidated;
3. The balances of accounts to be regulated;
4. Credits and resources arising out of the different departments of the administration, from the proceeds of which the said payments are to be made.

It is necessary that a work of this nature should be discussed and sanctioned by the Parliament, in order to give entire effect to the 535th article of the Constitution. It is essential not only that it should precede the general budget of the following year, but also the particular budget of my department of the administration; since the Directors of the acknowledged Public Debt, must not only be provided with separate funds for the payment of the creditors, but also for the extinction of the said debt; and the administration of the funds belonging thereto be entirely distinct from the general Treasury.

FIRST PART.

Consolidated Debt.

The Consolidated Debt, inscribed on the Great Book of the Kingdom, is divided into perpetual rentes and life annuities, or pensions.

The inscribed rentes originate from the old public debt of the State, not extinguished by the sale of landed estates, against which they were secured, and which were purchased by notes of liquidation, delivered to the creditors.

The perpetual rentes are paid every six months, and the life annuities every two months.

In May, 1815, the rentes inscribed amounted to the annual sum of ducats 940,000

It was increased in the five years which elapsed from the return of the King in 1815, to the 6th of July, 1820, by the exchanges of pensions for inscribed rentes in favour of the Treasury, by virtue of the decrees of the 23d January, 6th May, 1816, and 6th January, 1818, with. 480,000

Total of rentes inscribed on the 1st of July, 1820..ducats 1,420,000

Of which private individuals, three companies of capitalists, one of which was formed in Holland, possess ducats 1,052,950; the remaining ducats, 1,420,000 is the property of various public administrations, and of a great number of charitable institutions.

Of these 1,420,000 ducats rentes..1,235,854 are transferable (*aliénables*)
184,146 are declared untransferable,
(*inaliénables*)

Ducats..1,420,000 according to the laws and regulations.

To the 184,146 ducats inalienable rentes, must be added 100,894 ducats rentes belonging to private individuals, in the way of securities, and other guarantees, as well in favour of private people, as of the State, so that the mass of rentes, subject to daily negotiations, and upon which the circulation depends, does not even amount to 1,000,000 ducats.

No European State has a more secure and moderate amount of debt.

The amount of pensions inscribed on the 23d of May,

1815, was ducats 1,044,120 83
..... the 1st of July, 1820. 1,382,775 79

Increase.... 338,654 96

This augmentation arises—

1st. From pensions granted to military men retired from the old army, from those granted during the ten years of the reigns of Joseph and Joachim from 1806 to 1815, and to the army of Sicily.

2d. From pensions of favour, granted before the 23d of May, 1815.

The pensions are divided into ecclesiastical pensions, originating in the abolition of monasteries, and are fixed at.....ducats 600,000 ..

The pensions of favour, which are variable, were inscribed on the 1st of July, 1820, to the amount of 214,196 94

And in civil and military pensions to retired individuals, assigned upon the reserve funds, proceeding from the deduction of $2\frac{1}{2}$ per cent. to which all salaries paid by the State are subject 568,578 85

duc. 1,382,775 79

The financial Budgets fix the fund of ecclesiastical pensions at 600,000 ducats. The decree of the 25th December, 1816, has subjected this branch of life annuities to a different system of extinction to that of the laws which regulate the other branches.

By degrees, as annuitants, either by death or forfeiture, cease to receive their respective pensions, the sinking fund steps in their place. The proceeds of this substitution must be employed in the purchase of rentes. The fruits of the purchase of these rentes, united with those of the survivorships, form a *monte multiplico*, intended to extinguish in the space of 37 years the greatest part of the consolidated rentes.

The *monte multiplico* of the sinking fund was in possession on the 1st of July, 1820, of a fund of survivorship of 115,569 01, applicable to operations of redemption of the public debt.

The pensions of favour granted, to the number of more than 2000, exceeding the annual sum of 210,000 ducats, convey an idea of the royal bounty and munificence, and are not susceptible of revision, being acts directly emanating from the sovereign; but the necessities of the State, and the relief of the people, require perhaps that, for the future, the favours of the crown be limited within a certain amount.

By this means the regulations of the decree of the 25th of December, 1816, ordering that the extinctions of the pensions of favour should form a fund of munificence, must be modified, in order to determine a period, in the course of which these pensions may one day entirely cease, and thus disappear from the Great Book of the Public Debt.

The fund of the pensions of civil and military retired allowances, assigned upon the proceeds of the drawback of $2\frac{1}{2}$ per cent., which the salaries bear, must fix the attention of the Legislator.

In 1815 there existed a fund, at the charge of the Treasury, which served to pay the military pensions. The civil pensions were granted on the saving fund formed by the retaining of $2\frac{1}{2}$ per cent. on the salaries of the civil functionaries only. These last pensions only amounted to 29,300 ducats, and the funds administered by the sinking fund amounted already to 383,613 10 ducats.

This fund depended entirely upon the civil offices. The military pay was exempted from the imposition of the $2\frac{1}{2}$ per cent., because the superannuation of the soldier, whatever may have been the rank he has acquired, is a debt of the nation; who has contracted this obligation towards him, from the moment of his giving himself up to the public service, and to the national glory.

Such were the sentiments of the old Council of State, when the drawback of $2\frac{1}{2}$ per cent. was first established.

There existed therefore on the 23d of May, 1815, a fund, arising from the said deduction, far exceeding, as I have shewn, the pensions for which it was intended, that is to say, the sum of 383,613 10 ducats.

At the present day, the fund of economy is not sufficient for the payment of the Superannuated List, because the legislative enactments of 1816 and 1817, have charged this fund; 1st, with all the pensions originally assigned upon the general funds, converted since into consolidated debt; 2dly, all those granted

to the three disbanded armies, none of which had contributed to this fund of economy, formed alone of the savings of the civil functionaries.

The financial Budget, which fixes the fund of the civil and military superannuated lists at 500,000 ducats, is insufficient, since on the 1st of July, 1820, the pensions inscribed and assigned on the $2\frac{1}{2}$ per cent. drawback, under the head of "Pensions of Justice," amounted to 568,578 85 ducats.

It is true that the Ministry of War supply the deficient fund to the amount of 60,000 ducats, which the treasury retains from the credits of that ministry; but notwithstanding this supply of 60,000 ducats, added to the principal fund of 500,000 ducats of the Budget, there appeared on the 31st of August last, a deficiency of 59,025. 35 * in the chapter of the Budget relating to civil and military pensions; and it will be necessary for the State, after the 1st of January, 1821, to complete these funds, in order not to leave in arrear pensions inscribed, or any to be inscribed, by virtue of the respective decrees conceding the grants, and to pay the overdue dividends to the pensioners whose inscriptions were delayed. It belongs to the Legislature to restore the balance which that part of the public debt has lost, by bringing back all the laws relative to pensions to their original principles, and particularly that of the 3d of May, 1816, upon which rests the liquidation of the pensions of Justice.

It results from this exposé, that the consolidated debit of the State, composed of rentes and pensions inscribed on the Great Book, required up to the 1st of July, 1820, an annual fund of 2,850,000 ducats, including the charges of management, and that it will stand in need of more than 3,000,000 ducats, when the two provisional lists now paid at the treasury, and which constitute a branch of the public debt,† shall have formed part of a legislative enactment.

The annuitants inscribed upon the two lists, are in the expectation of being either replaced in active service, or of being discharged on half pay. Their claims may therefore be looked into, and to some might be definitively assigned, according to circumstances, pensions to be inscribed on the Great Book, and others might receive active employment, and thus a temporary item be struck off the Budget of Finances, which is consistent with the rules of an exact system of accounts.

Finally, all the pensions paid by the greatest numbers of financial administrations, will require revision, together with the proceeds of the revenues assigned to them, proceeds which diminish every year by the repetition of such causes, threatening ultimately to be entirely absorbed by them.

The amount of these secret grants is not known, because it is out of the accustomed rules. They must return to the general order, be legally acknowledged and inscribed on the Great Book, in order that its charge may be constantly known, and that the treasury may enjoy the entire proceeds of its revenues.

* In that sum are included the two retired allowances granted annually to the Marquis of Circello, of 13,000 ducats, and to the Marquis de Tommasi of 19000 ducats, retiring from office, and which I have not had inscribed from doubts not yet cleared up.

† A sum of 170,000 ducats has been brought upon the Budget for these two provisional lists (rôles), but it does not suffice for their amount, which is 244,631 92.

SECOND PART.

Of the Debt to be consolidated.

One part thereof is liquidated, the others to be liquidated, and includes the credits:—

1. Of the old creditors of the constituted debt of the kingdom, who were absent, or of those, who remaining in the kingdom, would not submit to the liquidation, or make use of the receipts obtained of the liquidation which had taken place;
2. Of the creditors of the Royal Family before the year 1816;
3. Of the incumbents of the royal grants of 1815;
4. Of the proprietors of securities deposited with the Sinking Fund;
5. Of the charitable institutions, religious corporations, private individuals deprived of their quit rents, by the effect of the repurchases and exemptions.

Of the Creditors who were not satisfied with the Liquidation of 1812.

The old liquidation of the public debt lasted six years. A council consisting of enlightened magistrates, concluded in the month of March, 1812, the liquidation, according to the terms of the laws then in existence.

A decree of the 23d of March, 1818, admitted the absentees not paid off to the benefit of the liquidation.

The sum of the liquidated credits amounted to the annual rentes of.....	53,218 86
Of which sum the treasury paid, in inscriptions on the Great Book, or in ready money at the current price of the rentes.....	28,285 02

There remains therefore to be inscribed at present, or paid at the current price of the rentes, an annual sum of... ducats 24,933 84

Representing at the rate of 3 per cent. per annum a capital of 831,128 ducats.

On the 31st of December next there will be due to the creditors of that part, the amount of interests for the last six months of 1820, but several of them are creditors for the whole of the dividends, from the 1st of January, 1818 to the 1st of July, 1820. The treasury will have to draw up the account.

According to the report made on the 11th of August, 1820, by the Public Administration to the Ministry of Finances, their liquidation is not yet closed; there remain still fifty suits, the documents of which are incomplete, and which will amount together to the sum of 199,000; that is to say, to 6000 ducats annually, subject to examination.

The creditors of the interior of the kingdom, who have refused to furnish their claims during the period prescribed for their reimbursement, or to make use of their vouchers, after having demanded and obtained their liquidation, have been favoured by the decree of the 5th of March, 1819, which acknowledged their right, and secured them their reimbursement in rentes, in estates, or in money payable at long dates.

The report of the Public Administration on the duty of the States towards these old creditors, makes their claims amount to 12,102,010 ducats of capital, and supposes that, by the effect of the liquidation, they may be reduced to 10,000,000, that is 300,000 ducats of rentes at 3 per cent. according to

the principle generally adopted for all the creditors who have conformed to the ancient laws concerning this matter.

This amount to be verified is independent of the sums already liquidated, of which the statements were transmitted to the treasury before the 1st of July, 1820.

These statements present together a liquidation of 25,544 96 ducats of rentes, to be paid by the Great Book or by the treasury.

Upon these 25,544 96 ducats, the amount of the statements of the commission of liquidation, the treasury has made a slight compensation of 200 ducats between the State and the creditors of this rente, in consequence of which it is this day definitively reduced to ducats 25,343 35, and its capital at 3 per cent. to ducats 844,784.

Such was the situation of the General Liquidation made for this important branch of the debt to be consolidated, when the Public Administration, in the month of August last, presented its statement to me. The Commission of Liquidation, has subsequently to the transmission of its accounts to the end of the said month of August, continued the verification of the claims of such creditors who had exhibited their claims; and the last statement which has been furnished me brings the new liquidations admitted, and liable to participate in the distribution of rentes or of money, as the first, to the sum of ducats 346,420 39 in capital, or of 10,390 68 in rentes. This liquidation however, falling into the mass of those the sanctioning of which has been suspended since the 1st of July last, must nevertheless be comprised in the amount, and which must be taken upon a debt of ducats 10,102,010, the repayment of which must commence from the time when the inventory of the public administration was formed.

In uniting these various debts, the State will have to provide for the discharge, by this first *rubrique*, of an amount of 357,277 37; ducats rentes; viz :—

Liquidated on behalf of absentees	ducats 24,933 84
on behalf of ditto still to be liquidated	6,000
on behalf of restored claimants in the country, liquidated	25,243 53
„ ditto ditto to be liquidated....	300,000

Total of rentes.... ducats 356,277 37

Of the Creditors of the Crown (Maison Royale) before the year 1806.

The second class of the debt to be consolidated, is that of the Creditors of the Crown, whose claims are anterior to the year 1806, and who have in their favour the decrees of the 19th of September, 1815, and 27th of May, 1820.

A deliberative Committee is charged with their liquidation, and the general administration of the property reserved has paid up to this day all those who have been admitted to the enjoyment of the benefit of the law, prescribing the mode of their reimbursement.

The report of the Director General of the reserved property, who is a member of the temporary Committee of that liquidation, under date of the 4th of this month, makes the sum of reimbursements already made to this day amount to ducats 23,124 05, and in noticing what remains to be paid and liquidated, this report makes the State indebted in a sum of ducats, 383,808 37, to be consolidated, and which, at 3 per cent. forms an annual rente of ducats 11,614 25,

Creditors of Royal Endowments.

By virtue of sundry decrees, his Majesty had made various grants since the year 1815, many of which have been converted into endowments (*dotations*) which have created a debt of ducats 1,010,722 60, in principal and interests; a portion of which debt the State has already discharged.

There only remains to be paid off upon these grants a sum of ducats 360,000 to be divided between the Chevalier de Medici and Princes Ruso and Castalcicala.

The 32d chapter of the Budget of Finances of 1820, has provided for the payment of the interests of this obligation; those due on the 1st of June last, were paid at that period; those which have fallen due since, amount at present to 8,500 ducats.

Creditors of Guarantees, or Securities deposited in effective ready Money with the Sinking Fund.

The inventory made on the 1st of January last by a Committee of the Junta of Government, to determine the assets and debts of the above fund, has established the former (the assets) in property, quit rents, or in annuities upon private people, for an amount of 650,869 30 ducats, and in inscriptions on the Great Book for the sum of 712 ducats rentes. But the chief part of these assets, consisting of annuities from private persons, cannot be realized, and is besides entailed by an annuity of 17,000 ducats, representing a capital of 340,000 ducats, which must be deducted by virtue of the decrees of the 1st of January, 1817, and 27th November, 1819, to be returned to a great number of charitable institutions of religious and private corporations, which have lost their quit rents, in consequence of the redemptions and exemptions authorised by law.

The assets of the Sinking Fund, thus diminished by more than the half of their amount, will not suffice for the payment of its debts: the most important of which are the securities received in effective money, and for which it is necessary to provide the principal and interests, reckoning from the 1st of January, 1821.

In the debts of the fund, the guarantees are estimated at a capital of 919,984 25 ducats, the interests on which are paid at different rates.

On the 1st of June, 1817, the Sinking Fund was liquidated, and subjected to a new system of operations, in consequence of which a balance remained to be paid by it, amounting, on the 30th of August last, to the sum of 545,075 29 ducats, which may be called for every day.

To discharge this debt, the fund only possesses a credit of 21,415 ducats, 28 grains, the recovery of which is known to be in part very difficult or impracticable.

It follows then from this state of things, which has been proved by an inventory made with the greatest care, that the Sinking Fund must figure in the debt to be consolidated.

1. For the capital which the owners of the guarantees have every right to demand, as soon as the Court of Accounts shall have declared them exonerated.

2. For the amount of arrears.

The capital of the Securities amounts to	ducats 919,984 25
The arrears to	545,075 29

Total....ducats....	1,465,059 54
---------------------	--------------

Restitutions of recovered Quit Rents, and Redemption of Annual Rentes.

The laws authorising the liberation of quit rents and the repurchase of annuities, possessed directly or indirectly by the state, have occasioned considerable losses to the revenues of various charitable institutions, of corporations of public utility, and to many private individuals, to whom these very corporations or institutions had legally transferred their quit rents and revenues in payment of their debts.

It has been seen at the 4th paragraph of this Report, that the inventory made on the 1st of September 1820, which followed the balance sheet of the sinking fund, estimated the indemnifications due for all these repurchases at 17,000 ducats of annual rentes, forming a capital of 340,000 ducats, for which all the assets of the Sinking Fund were answerable. There have been some royal decisions upon these claims, and particularly one of the 22d of October 1819, by which it was determined that all the quit rents, canons and rentes of secular origin belonging to the fund, should be made available in refunding of all property of that description, claimed by the creditors of the sinking fund, and that in case of insufficiency, such should be provided for out of small allodial funds of the public domain of little extent, in order that the spirit of the law, on such just claims, might not be misconstrued or violated to the detriment of some institution or private individual.

Both right and justice being united in these claims, the debt to be consolidated must take charge thereof, and estimate them at what they have been valued in the inventory of the sinking fund; that is to say, at a capital of 340,000 ducats, or an annuity of 17,000 ducats, subject to examination, liquidation, and admission to the same benefits as all the quit rents and annuities purchased, from the moment when the Government shall undertake to replace them.

THIRD PART.

Debt of COMPTABILITE'.

This is the uncertain debt of which I am about to treat in the third place. It derives its origin from certain accounts which have not been regulated, and it is for that reason that I have given it the above denomination.

Account of Stores, &c. furnished, (fournitures.)

The first creditors which present themselves under this head are those who had stipulated to contract with Government for stores of all descriptions, and principally for the war and navy departments, upon credits opened to the ministers on the old royal treasury; credits irrevocably closed since the decree of the 28th of June, 1815.

The decree of the 7th of December, 1818, has disallowed the greatest part of this debt.

The appeals of this class of creditors against this severe decree have reached the throne; but it is impossible to determine even by approximation the sum at which their claims may be valued.

The greatest part of these claimable debts arises from stores furnished to the armies before the happy return of the legitimate dynasty; they concern therefore chiefly the Ministry of War; but taking even the terms of the decree of the 22d of June, 1815, for guide, it is to be supposed that the appeals against the decree of inadmissibility of the 7th September, (December,) 1818, arise out of credits common to all the branches of the finances, since the

above named decree of the 28th June, 1815, enjoined that all the ministries should form statements of their respective debts, at the very moment when the regulations closing all old credits were enforced.

The ministry of Finances, where all the statements of these credits were to be forwarded, has not any one, and the notions collected on this subject, have made it known that no such statements were in existence, or at least that such as have been commenced are not yet finished, precisely because the contents and the regulations of the stated decree of the 7th September, discharged the state of all such obligations.

In order not to fall in the unpleasant alternative of presenting to Parliament hypothetical accounts, it is expedient to propose to the representatives of the nation to fix a short period, during which any person having claims against the State, concerning contracts regulated or to be settled with any of the branches of the administration, should be required to furnish the particulars of his demand to such authorities as the law may indicate for the purpose of receiving and uniting all the claims.

Without this preparatory orderly measure, it will be very difficult to collect the smallest estimate of the numerous claims against the state, in consequence of accounts, contracts and commissions, arising from old administrations or military companies, or from undertakings of any other description which have remained without the means of payment, and for that reason could not be formally and definitively liquidated.

Accounts of the Arrears.

The Budget of the Finances divides them into four classes, at chapters 33, 34, 35 and 36.

Arrears before the year 1806, those of the ten years of the reigns of Joseph and Joachim, of the five years since the restoration, and those of Sicily.

FIRST CLASS.

The arrear anterior to the year 1806, was originally a
debt of ducats 2,358,146 51

A Committee of Finance and a deliberative Committee have liquidated, by virtue of the decree of the 19th of September, 1815, a sum of..... 586,398 13

Total..... 1,771,748 38

The Treasury has paid on
account of this first liquidation, in consequence of
Royal Decrees..... ducats 106,040 29

There remains to be paid.. 480,357 84

And to be liquidated 1,771,748 38

Transfer of liquidation remaining to be paid ... 480,357 84

Total of arrears previous to 1806 2,252,106 22

The period of ten years of the reigns of Joseph and Joachim, has left unpaid besides, for stores furnished, for liquidated orders (mandats) upon the provincial treasury, ditto on the accountable agent of the treasury; salaries of civil and military officers, out of the Administrative Ordinance....	ducats	700,904	67
The Treasury has already paid upon the Budgets of the Ministry of Finances		384,902	91

The State owes for the remainder.....		352,001	76
---------------------------------------	--	---------	----

The year 1815 also had its arrears for contracts for the Marine, provisions and other unsettled accounts.

This debt has been acknowledged for	276,625	46
Of which sum, has been paid, in virtue of the credits opened on the Budgets of the Minister of Finances	191,660	93

The State is indebted for	84,964	53
---------------------------	--------	----

The credits in arrears in Sicily, consist of salaries and charges due to the Ministers of His Majesty at foreign Courts, and of stores furnished to the troops under the political and military command of the Prince de Canova in the Island of Ponza. This debt has in its favor the decree of the 2d of May, 1818, and a Special decision of His Majesty of the 17th of May, 1819: at its origin it amounted to

	415,639	78
--	---------	----

In consequence of the payments made on the Budgets of Finances, it was reduced with

	307,465	47
--	---------	----

There remains still due	108,174	31
-------------------------	---------	----

There is another class of creditors of the treasury, those to whom relief had been granted, and suspended pious donations, proceeding from Royal munificence. The statement of the individuals and institutions who were to receive those gifts by the means of credits voted in the Budget of the Ministry of Finance, makes this sum amount to ..

	18,401
--	--------

In the Budgets of the finances for the last years, sundry special credits were opened to extinguish annually these different arrears, by paying sums on account. The Budget of 1819 had appropriated a fund of 440,000 ducats for the discharge of arrears; in the Budget of 1820, this fund is carried to the sum of 480,000, on behalf of the different parties called upon to receive payments out of it.

In the course of the present year, the general treasury has made out statements, by means of which the amount of debt of each branch of arrear has been fixed in the following proportions.

Recapitulation of the Arrears of the Finances.

1st Class.	Arrear of 1806	ducats 2,252,106	92
2	„ „ the ten years of Joseph & Joachim	352,101	76
3	„ „ 1815	84,964	53
4	„ „ Sicily	108,174	31
5	„ „ Sums in aid	18,401	
Total			2,815,647 82

Litigious Accounts.

The appeals against the old and new administration of the domain, determined upon or pending before the tribunals or the councils of intendants, and the claims of the families that followed the King in Sicily, whose property has been confiscated, sold or given away, are two principal branches of these debts of the treasury.

According to the statements made by the two administrations, it appears that there have been more than 600 claims determined against the treasury; but the number of those in favour of which there exists any definitive decisions is too limited to be able to give a correct idea of the remainder of this litigated debt. It is besides necessary to observe, that in these contests the treasury is not always defeated, and that the impartiality of the Judges will save large sums to the treasury of the State, by which the pressure of the condemnations which the same inflexibility will induce them to pronounce against the public domain, will be diminished. The verdicts in favour of the domain will form an item of assets in the fourth part of this report.

The debt of the emigration is more certain; the parties claiming are innumerable. They consist of creditors of the *ci-devant* emigrants, whose property, then alienated, was insufficient, in consequence of the sequestration which ensued, to pay even the interests due to the said creditors before the restoration of the respective estates to the said emigrants.

The decree of the 17th of June, 1815, having ordered that the sequestration of the property belonging to the families returned from Sicily, should be taken off, this regulation cancelled all the assignments made upon their property.

The decree of the 9th of April, 1816, assigned to the creditors of those families the remainder of the revenues which the government had received during the sequestration. The old administration has paid many of them; but as a great number of those trusts have left no balances, in consequence of the alienation of the said estates during the ten years reigns of Joseph and Joachim, the creditors had recourse to the tribunals, against the families declared insolvent in consequence of such alienations, by claiming on their behalf the regulations of the aforementioned decree of the 9th of April, 1816. The families thus called upon to appear before the Courts, applied for the intervention of the Ministry of Worship and of Justice, and obtained a temporary suspension of the actions instituted against them, and an order for making out a general statement of their debts, with a view of establishing the claims of the creditors.

This statement, delivered to the Minister of Finances, shews that there exist about twenty-five families, exposed to the actions at law of their creditors, demanding the payment of these old arrears, since the sequestration of their property during the ten years above named, has rendered them at present insolvents. The mass of these interests forms a capital, which may be

estimated at 165,000 ducats, to be divided between a great number of creditors whose claims are founded upon legitimate and authentic titles; admitting of no liquidation, since they relate to interests of rentes over-due, which the administration of the public domain has already acknowledged and established.

Accounts of Administration.

Several public administrations have debts, some of which directly concern private individuals; others were contracted between the administrations; and though the connection of these last debts with the general interests of society be only of an indirect nature, they must nevertheless be submitted to a liquidation, to make them disappear from the accounts, of which they obstruct the march and paralyze the operations.

General Treasury.

The treasury is indebted to the sinking fund for balances of accounts. The sinking fund had an account current with the old Royal treasury; this account was to have been settled by the payment of the sum of ducats 177,829 17 in favor of that fund.

The new general treasury has remained in arrear toward the sinking fund for this first balance of account, and another sum of 335,246 ducats in which it has become indebted to it since. The sinking Fund is thus a creditor of the general treasury in the capital sum of 513,075 78 ducats which is deficient in the fund, to be daily applied to the extinction of the consolidated debt.

Bank.

The Bank has an old debt towards the holders of its notes, arising from a deficiency of specie, which goes back to the year 1803, and which was discovered in 1810, when the different Banks, suppressed at that time, delivered in their accounts to the Bank of Saint James, preserved under the title of Court Bank.

It was never possible to ascertain exactly the cause of the disappearance of one million of money found deficient on comparing the amount of its *polizze*, (Bank Notes) in circulation. During the ten years reigns of Joseph and Joachim, the original deficiency of ducats 912,257 28 was reduced to ducats 564,329 6.

On the 6th of October 1814, it only amounted to ducats 487,932 32.

On the 1st of July, 1820, it was increased with 83,000 ducats, and at this day it is acknowledged to be ducats 570,932 92.

This deficiency is a financial irregularity and a breach of public faith.

Whenever parties entertain any apprehensions of the payment of their notes, they hasten to withdraw their funds from the bank, and when the deposits in money do not exceed the sum of 100,000 ducats, the Bank, owing more than 600,000, is on the point of failing.

It is therefore necessary to have recourse to a legislative enactment for the purpose of providing the Bank with a fund of ducats 570,932 92, to equalize the notes in circulation with the sum which the Bank must hold ready to meet the payments of its notes.

The Bank having its own fund, and being consequently proprietor of a sum of about 86,000 ducats rentes, as well in debts due by individuals as in inscriptions on the Great Book, possesses the means of liquidating its debt, and besides that, of coming to the assistance of some other department, when it will have entirely realized all its assets.

And it is precisely respecting that alienation and of the necessity of soliciting it, that it will be necessary in due time to make a proposal to the Legislature.

Caisse d'Escompte. (Discount Fund.)

The old *Caisse d'Escompte* was established to assist the necessities of the general treasury; but as it did not possess a real and independent capital, that furnished by the Bank and the treasury supported the whole weight of its operation combined with its own funds, for the purpose of delaying the payment of the demands upon the government.

However flattering the profits of this auxiliary fund may have appeared, they were only imaginary, and however slight and imperceptible their losses, these were real and effectual.

The fund effected its liquidation by virtue of the decree of the 22d of August, 1820, and has repaid the Bank its 2,450,000 ducats, by delivering up all the Bills and rentes it had discounted.

It has paid to the new fund the sum of one million received from the treasury, the urgent necessities of which required it.

However, amongst the bills discounted, of which this amount of one million consisted, there are notes for the sum of 82,530 ducats signed by the overseers of the Salt Works, Tobaccos and administrators of reserved property, which notes due on the 1st of September last, are incashed with difficulty.

The general opinion, as appears by some of the pamphlets of the day, is that this establishment has rendered great services to the finances, without having injured them in the least.

Its capital of 3,450,000 ducats was taken from the public chests, from which this fund could not be withdrawn without disturbing the order of the public service. The 2,450,000 ducats were taken from the chests of the Bank, to be placed in those of the *Caisse d'Escompte*, without any authority from the sovereign. The *Caisse d'Escompte* has discounted for a large sum in Bills of the treasury, which the latter issued when they were wanted; so that the treasury discounted its bills with its own funds.

It is true that the discount fund paid into the treasury, in the space of two years, ducats 167,421 37, for interest at the rate of nine per cent. on the sum advanced; but it is also certain that this profit never could have been made with the million of ducats, but arose from the circulation of 3,450,000 completed with the funds of the Bank, and from that sum must besides be deducted 28,862 85 ducats paid to the fund for the discount at 3 per Cent. of the bills for which it took the money back in moments of urgency.

The interests, commissions and charges of all descriptions which the loans negotiated with the houses Torlonia & Appelt & Company, must likewise not be forgotten. These loans had no other object than to provide for the charges of a service embarrassed and in arrears in consequence of the absence of one million of money taken out of the public treasury, to be employed in operations which not one government in Europe would ever enter into for its own account.

The fund has besides paid to the Bank (who had lent it 3,450,000 ducats from its deposit fund) a sum of 36,773 ducats; but in calculating the interests which so considerable a capital was capable of affording according to the commercial tariff, it will be found that the Bank has advanced its capital at the rate of $\frac{1}{4}$ per Cent. per annum.

Nevertheless the *Caisse d'Escompte* has derived a profit of 240,896 ducats

6 grains from its discounts, but with the exception of 184,194 ducats, 37 gr. paid to the treasury and to the bank, all the rest was paid away in charges to Exchange Brokers and to extortioners, in fees to four discount Commission Merchants; in gratuities granted to the governor, the accountant, the comptroller, the clerks of the Bank, and to the director general of the great book, D. Carlo Marsella, and many others of the like nature. So that with this circulation of funds taken from one public chest and lent to others; with this money received from and discounted to the treasury itself and paid with Bank Notes guaranteed by funds affected to the payment of other notes, with this fictitious account of interests paid in and returned, and with all these manoeuvres and exchanges of treasury money against assets of the same treasury, nothing has resulted but an accumulation of debts, and the Bank found itself on the point of falling.

The Caisse d'Escompte must in the presumed debt, be considered as a public fund, for all the assets claimable from the public administrations at the time of making its inventory, amounting to the sum of 82,530 ducats, proceeding from the receivers of Tobacco, Salt and others. Of that sum some bills have been incashed since the 1st of September, but the others are already by this time due, and those not yet paid form a debt of account on the fund of one million belonging to the general treasury.

Caisse de Service.

This fund, instituted by virtue of a royal decree, was annexed to the general treasury, to assist it in its transactions, and aid it in its payments. This decree is of the 1st of May, 1819.

Its chief operations consist in issuing, in favour of the creditors of the treasury, bills at three months' date, in payment of sums due in cash, and for which the funds are not in hand.

The holders of these bills, could for some time get them discounted at the Old Discount Office, which being a branch of the Bank, paid with fictitious notes, the funds for which were already appropriated to legitimate notes. Under the protection of the Bank, the bills of the *Caisse de Service* were always of a current value, but these bills, now put into circulation, possess no other value, but what arises from the punctuality with which they are paid, since they originate, either in transactions, for which the Treasury has already received the funds, or in payments which should but have been made, but of which the period has been put off.

The balance sheet drawn out, to make known the situation of this fund on the 30th of June, 1820, makes it indebted in the sum of 1,634,558 90 ducats, for which the general treasury should provide the funds, in order to enable it to discharge the obligations contracted with the creditors.

These obligations were to have been renewed as they gradually arrived at maturity after the 1st of July, 1820, it being impossible to abolish in one instant a system upon which depended the circulation of more than one million and a half of effects.

The debt has been maintained to the present day by means of new bills, exchanged as the others fell due, and amounts now to the sum of ducats 1,674,750 13, according to the account made out and presented by the Treasury to the Minister of Finances, under date of the 17th of November, 1820.

If the debt has been increased by about 40,000 ducats since the 30th of June, it arises from effects in the porte-folio not cashed on the 17th of November, and from the payments to be regulated with the house of Appelt & Co. The obligations contracted with the house of Torlonia and Appelt, are comprised in the debt or balance for the sum of ducats 1,674,750 30 of the *Caisse*

de Service, and the whole of this balance belongs to the debt which may be demanded, that is to say of *comptabilité*, which claims and expects funds to be discharged in the same manner as all the other branches of the general debt of the state.

It is necessary to observe here that the *Caisse de Service*, since the 16th of October last, has issued new bills, falling due on the 6th of February, 16th March, 16th April, and 16th May, 1821, to the amount of one million, the discounting of which has been negociated with the government by private contract; but the funds to secure the payment of the bills when due, are already in hands of one of the first banking houses in Paris, and this million, guaranteed in this way, has nothing to do with the ducats 1,674,750 03, for which the *Caisse d'Escompte*, is indebted in consequence of its operations anterior to the month of July last.

General Administration of reserved Duties.

The general direction of Tobacco owes to the treasury the sum of 600,000 ducats, taken from the public revenues, to be laid out in the purchase of indigenous Tobaccos, and of those of Benevento and America.

The debt cannot be paid in any other manner than by the manufacture and sale abroad of these Tobaccos. In transferring this credit to the sinking fund, the Treasury would be discharged of a portion of its debt to that fund, and the direction of Tobacco of that due to the treasury, a large capital would be thus appropriated to the redemption of the public debt which may fall in, in the course of three or four years, but of which the receipt is placed beyond a doubt, as soon as the administration of Tobacco shall be subjected to a more economical system, which will guarantee the free cultivation of that article, its uncontrolled manufacture, and a reduction in price.

The manufacture of playing cards, which was in possession of property to the amount of 15,000 ducats in manufactured proceeds on the 1st of July last, presents the same means and resources, by transferring its debt from the treasury to the sinking fund, on account of the claims of that administration against the general treasury.

Mint.

The treasury is indebted to the general administration of the Mint for balance of accounts of losses for the last coinage, in the sum of ducats 19,323 57.

The administration of the Mint, on the other hand, owes the Bank the sum of ducats 17,269 44, for balance of accounts for coin taken from the Bank to be melted and recoinced.

It would be easy to set off the debtor of one against the creditor of the other, by means of the remaining copper money to be coined, which is valued at ducats 45,412 56 gr., and which would encrease the mass of copper already in circulation; but the superabundant quantity inconveniences and throws discredit upon all public and private transactions.

FOURTH PART.

The liquidation and the payment of the debts of the state, of whatever nature they may be, leads to the examination of the resources which government is in possession of to free the budgets from the extraordinary credits which encumber the Treasury, and which by throwing its ordinary expenses in arrears, force it to contract new obligations.

MANAGEMENT OF THE PERPETUAL DEBT.

Inscribed Debt.

The tenth part of the principal of the direct and indirect contributions annually collected, and the proceeds of the drawback of $2\frac{1}{2}$ per cent. to which all civil and military salaries are at present subjected, are assigned by the laws to the payment of the consolidated debt. These two funds form its dotation; but, as they are not sufficient, the public treasury has to supply every year the amount which falls short.

The general treasury collecting the principal and accessaries of all the income of the state, to the present moment, has furnished the consolidated debt with the funds necessary for its annual payment, and they are determined by the budget of finances.

With this method of keeping accounts, no separate statements have been made at the general treasury of the tenths of the contributions, nor of the supplementary funds which it had to furnish to the Great Book, to balance the amount of the debt with the entire sum of the fixed dividends, and with the pensions which their annual increase has subjected to constant variations.

The constitutional act has rendered the public debt independent of the affairs of the Treasury, which cannot interfere with the rentes or its accounts, since the public debt must have its own administration, its budget, its appropriation, and its separate fund.

To arrive at the fulfilment of this liberal disposition, the means must be prepared.

In the first part of this Report, the consolidated debt is brought at ducats 2,866,675. gr. 32 of dividends and pensions; and comprising the two provisional lists of the treasury, and the pensions which various financial administrations must cease paying, the inscribed debt exceeds 3,000,000 ducats.

The following are the resources—

1. The tenth of the direct and indirect contributions which it will be necessary to impose separately from the respective principals, in order to maintain the line of distinction drawn by the Constitution between the funds of the treasury of the State, and those of the chest of the public debt; the extraordinary receipts which the general treasury may obtain to balance the expenses of the budget of 1821, producing no tenth, those of the direct and indirect contributions cannot be estimated at more than 1,800,000 ducats.

2. Several years experience have shewn that the produce of the saving fund, not extending in future to military pay, which is to be exempted from all deductions, of whatever nature, is not susceptible of yielding annually more than 100,000 ducats.

3. The revenues of the *Tavogliera di Puglia*, subject to a system of moderation which the tenants demand with reason, will not amount to more than 600,000 ducats annually.

In devoting the rents of the *Tavogliera di Puglia* to the service of the consolidated debt, no change would be made in the views of the National Parliament with respect to the exemption which these fine estates of the kingdom should not be deprived of, and which may always be reconciled with the progressive extinction of the public debt.

4. The proceeds of the duties on tobacco and playing cards, made to harmonize with the free cultivation, manufacture and sale, of these branches of agriculture and trade, are valued at the sum of 100,000 ducats net.

5. It will be necessary to impose a quota of 700,000 ducats, to be taken from the sale of salt, or in any other tax, to complete the assignment of the public debt for 1821.

Debt to be inscribed.

The unconsolidated debt, as it was submitted to the approbation of the national Parliament, will require a fund of 500,000 ducats rentes. The annual proceeds of the extinguished ecclesiastical and favor pensions may be assigned to it, since the *monte multiplico* must be exclusively devoted to the payment of the debt to be consolidated, before redeeming that which is already consolidated.

By degrees therefore, as the Committee of liquidation, instituted by the Court of accounts to examine the claims of the creditors of the old constituted debt of the kingdom, shall grant certificates of liquidation, these title deeds, shall be exchanged at the Great Book against provisional inscriptions, and the annuities which the extinction of the above named pensions will set free in the items of life annuities, shall be exchanged against perpetual inscriptions, on behalf of the holders of the provisional ones, who may be entitled to that advantage, determinable by ballot.

The provisional inscriptions should not produce any interests, but may be admitted for securities to be given for a certain amount.

Such are the measures which I propose for the payment of the second part of the debt, when acknowledged; justice will suggest them to Parliament, and the situation of the finances recommends them.

Debt which may be called for (exigible).

The assets of the national Domains might be sufficient to extinguish these debts, but the charges and immense sacrifices which the nation is called upon to make, to ensure the triumph of the Constitution, have already given another destination to the richest portions of the domains.

The proceeds of the sales of the domains, approved by the laws, and more particularly by that of the 22d of August, 1820, sanctioned by the Parliament, will suffice for some time for the extraordinary services, arising from the new political order of things.

Nevertheless, by one demonstration, we shall shew the resources which may arise from the sales of domains, saving however to assign for the extinction of the portions of the claimable debts, whatever may remain disposable, after deducting from the whole mass of these assets, the funds required.

1st, to replace 130,000 ducats which the charitable institutions have provisionally advanced to Government;

2d, To the fulfilment of other engagements as sacred as the first.

The statements of property, made out by the new direction of public domain and of waters and forests, present—

1. In incorporated estates, an annual revenue of ducats	32,098 98
2. In unincorporated ditto—viz. quit rents	17,817 60
3. In right of chace and fishing	48,223 43

ducats 98,140 01

These annual revenues, calculated at 4 per cent. represent a net capital of 2,453,500 ducats.

The Administration of restored estates at 54,000 ducats per ann. which at the same rate of interest, will give a capital of 1,362,000 ducats.

That of the estates reserved for public sale, an income which, at the same rate, will give a capital of 2,700,000 ducats.

It retains another of 95,000 ducats, representing a capital of 2,390,000 ducats.

This last mentioned estate, arising from what remains at the disposal of His Majesty, is destined to form and discharge the dowry of His Royal Highness the Prince of Salerno, and it is not sufficient for that purpose, since, by his marriage contract, the Prince has a claim to

a perpetual annuity of	ducats 150,000
and to a life annuity of	30,000

ducats 180,000

The annuity secured to the Prince by his marriage contract, is independent of what he enjoys from his commanderies in Sicily, besides the Phare.

It will be necessary to complete this annuity with other estates.

The State taking charge of the debts of the Sinking Fund, of the Bank, and of the Administration of the reserved duties, the assets which these three establishments possess, must come into the account of the resources destined to arrive gradually at the extinction of its debts of *Comptabilité*, that is, claimable debt.

The Bank possesses some property in houses, in annuities secured upon several private persons, and inscriptions on the Great Book, from all of which it derives an annual income of ducats 36,079 gr. 14, or a capital at 4 per cent. of ducats 901,978 gr. 50.

Its inscriptions on the Great Book may remain in its possession to pay its own expenses, as a Bank for private individuals and of institutions of public utility, but all its other property must be added to the public domain, since its deficiency is considered as a claimable debt at the charge of the State. The Bank will therefore only be comprised in the general assets, which must be assigned to the claimable debts for an annuity of 22,675 14 viz.

On the 1st of July, 1820	ducats 36,079 14
To be deducted—inscriptions on the Great Book ...	13,404

remaining	{ an annuity of	ducats 22,675 14
	{ and a capital at 4 per cent.	562,978 50

besides a capital of disputed credits of 247,663 ducats 58 grains.

The assets which the Sinking Fund presents, are given on its general balance sheet at a sum of 650,969, ducats 30 gr. The liquidation to which this fund was subjected on the 1st of January, 1817, has taken from its old appropriation a capital sum of 2,319,360 ducats 11 gr. of credits difficult to be cashed, and one of 21,115 ducats in bills in porte-folio, which do not hold out a better prospect. The Sinking Fund therefore only possesses actual effects to the amount of 650,962 ducats 30 grs.

The General Administration of reserved duties co-operates in the formation of assets applicable to the claimable debt, for the merchandise and manufactures it possesses, namely—

For 611,737 ducats in tobacco, paid for with the proceeds of its own income of 1819 and 1820, and 15,895 ducats in playing cards.

Finally the Court of accounts and the public domain promise receipts of some importance. The domain, by virtue of the result of proceedings before the Courts, against the debtors of the State, and the Court of Accounts, in consequence of verdicts and declarations against persons accountable to and indebted to the treasury, whose administration had been examined, amounted to 361,843 ducats, which the Court thought should be reduced to one half,

on account of the delays granted to collectors of the excise for the production of their last justificatory documents. This sum will therefore only figure on the creditor side of the general account of debts for 180,976 ducats.

In recapitulating all these resources, the following is the total product which all the disposable means will yield.

1. Property of easy sale and whereof the income is certain.

	Annually.	Capital 4 per cent.
Estates of the public Domain ducats	98,140	2,453,500
Ditto restored	54,000	1,350,000
Ditto reserved, put up for sale	108,000	2,700,000
In reserve	95,000	2,375,000
Total ducats.	355,140	8,878,500

Deducted.

1. Annuities to be returned to charitable institutions, in lieu of 130,000 advanced to the government

130,000

Remains

225,140

Right of Chace and Fishing

48,223 43

Remains in personal property

176,916 57

Dowry of His Royal Highness the Prince of Salerne

180,000

More for the deficiency 199,144 67

Deficient annuity for the Dowry of the Prince

3,083 43

And a Capital for his arrear 199,144 67

2. Property of difficult sale and uncertain income.

Houses belonging to the Bank 22,639

Its disputed Capital . . . 249,663 58

Credits and Quit Rents on sundry private persons, held by the Sinking Fund

650,969 30

Its Capital in contested or unclaimable Credits, duc. 2,319,360 11 & duc.

21,115 28

Claims of the public domain against private persons, to be discussed before the Courts

Sentences and declarations of the Court of Accounts, in favor of the Treasury

361,383 ducats; one half 180,921 50

Merchandise.

Tobacco 611,737

Playing Cards 15,895

The order of Malta possesses property which is given in security for life annuities; those who enjoy such annuities may be indemnified by means of pensions inscribed on the Great Book, of which the state will be discharged according to the natural order of the extinctions.

This property, of which the ministry of finances has demanded the statement from the different administrations, will be laid before Parliament and appropriated.

1. To complete what is wanting for the dowry of His Royal Highness the Prince of Salerne and to the payment of his arrear.

2. To balance the claimable amount of debt.

3. To make good the errors to which uncertain accounts are exposed in their presumptive estimates.

The necessity of investigating the claims which will be acknowledged by Parliament, and of granting the creditors a title deed of liquidation, the obligation of uniting in one single administration all the property constituting at present the public domain, and to preserve this security for the claimable debt, have led to the careful examination of the means of arriving at this double object, and it appears only to be attainable by the creation of a Junta and General Administration, consisting of upright and intelligent individuals, who shall take the management of both branches of the public debt.

The Commissioners of the Consolidated Debt should unite in their labours the inscription of the rentes and pensions on the Great Book, the fund of the dividends, the payment of the annuities on the inscribed debt, the issue of provisional inscriptions in exchange for the certificates of the Committee of liquidation, the administration of all the funds comprised in the general Budget of the public debt, and paid into chest of the rentes, and finally the progressive extinction of the debt on the Great Book. By means of this Committee, the management of the Great Book and of the Sinking Fund would be united, and this general economy would produce great benefits.

The administrators of the claimable debt would have the management of all the branches of income of the public domains, and would dispose of them according to the existing laws. Their proceeds would be paid into the fund of the rentes, for the discharge of the credit orders of the administrators, in proportion as all the acknowledged parts of the debts due for accounts rendered, were admitted.

With the exception of the Budget of the portion of the kingdom beyond the Phare, which is under the eyes of Parliament, the Minister of Finances is not acquainted with the situation of the debts and credits of that part of the kingdom, since on the 1st July, a separate administration was introduced there.

The government needs now all the activity and many legislative measures to be able, in the course of 1821, to attain a uniform system of administration, and to become acquainted with all the changes and resources.

Finally, I must add, that the estates of the crown and those forming the civil list are not comprised in this statement; the Minister of the Royal Household is occupied in making them out.

As soon as Parliament shall have taken the precise situation of the finances into consideration, and made its determination on the subject, the government will lose no time in presenting the general Budget for the next year; since it must comprehend all the charges, as well as all the available resources for their payment and for the discharge of the obligations which the nation may contract.

The Minister of Finances,
MACEDONIO.

Naples, 9 December, 1820.

CONSOLIDATED DEBT.

GREAT BOOK.		Ducats.	Ducats.
INSCRIBED RENTES.			
Transferable (<i>negociables</i>)	1,235,854		
Untransferable, trust Stock and the like.	184,146		
			1,420,000
INSCRIBED PENSIONS.			
Clergy, forming the <i>Monte multiplico</i> ..	600,000		
Civil or Military, assigned on the fund of drawback of $2\frac{1}{2}$ p. c. forming the branch of pensions for rewards, or services, (<i>Pensions de justice</i>)	568,578 85		
Of favour (<i>de grâce</i>)	214,196 79		
Total of pensions inscribed 1st July, 1820	1,382,775 79		
PENSIONS TO BE INSCRIBED.			
For those granted by Royal Decree from the 1st of July to the 31st of August, 1820	63,899 42		
			1,446,675 21
Total of the Consolidated Debt inscribed on the 1st September, 1820			2,866,675 21
PROVISIONAL CHARGE OF THE TREASURY.			
Monthly subsidies paid by the general treasury, on the credits voted at chapters 29 and 30 of the Budget of Finances, and which must be inscribed on the Great Book, after verification of the validity of the claims	170,000		
GRANTS OF PENSIONS.			
On particular funds granted out of the receipts arising from several financial administrations, which cease on the 1st of January, to be liquidated and inscribed on the Great Book	uncertain		
			170,000
General total of inscriptions of Rentes and Pensions, the dividends of which will commence on the 1st of January, 1821			3,036,675 21
<i>To be deducted.</i>			
Proceeds of extinctions of pensions and reductions to be obtained from the liquidation of the provisional grants, and from the funds in aid of the financial administrations			36,675 21
		Ducats..	3,000,000

CONSOLIDATED DEBT.

	RESOURCES.	Ducats.	Ducats.
ONE-TENTH OF CONTRIBUTIONS.			
Direct contributions	615,000		
Indirect debt of all kinds	885,000		
			1,500,000
DRAWBACK OF 2½ PER CENT.			
Estimated proceeds of 2½ per cent. to be retained only from all civil salaries			100,000
PASTURES OF PUGLIA.			
Ordinary revenues	480,000		
Extraordinary ditto	180,000		
Special ditto	15,000		
	675,000		
Deduct for losses and probable reductions	75,000		
			600,000
TOBACCOES AND PLAYING CARDS.			
Revenue likely to arise from a special administration for the manufacture and open sale of all sorts of Tobacco and Cards			100,000
SALT.			
Portion of the proceeds of Salt			700,000
			3,000,000

DEBT TO BE CONSOLIDATED.

PROVISIONAL GREAT BOOK.

COMMISSIONERS OF LIQUIDATION,

consisting of Magistrates of the High Court of Accounts.

To Creditors of the old debt of the kingdom	356,277 37
To their half-yearly dividends not paid from the year 1808 to the 1st of July, 1820, according to the account to be made out	unknown.

CONSULTATIVE COMMISSIONERS,

consisting of the Comptroller of the Royal Family, and of the Director General of reserved Estates.

To Creditors of the Royal Family previous to the year 1806, for a capital of 383,808 duc. 37 gr. at 5 per cent.	19,190
--	--------

DEBT TO BE CONSOLIDATED (*continued.*)

BUDGET OF FINANCES FOR 1820.

	Ducats.
To incumbents of royal grants for their capital of 360,000 ducats at 5 per cent.	18,000
To their half-yearly interests in arrears, as per accounts to be made out.	<i>unknown.</i>

SINKING FUND.

To the owners of securities paid in ready money to the sinking fund for their capital stated in the balance sheet of 1st September, 1820, at.	919,984 25
Creditors of the fund	545,075 29

Capital at 5 per cent. 1,465,059 54 73,250

Public institutions, corporations, and private individuals, whose quit rents were discharged and bought up, or whose contracts have not been stipulated, and who are entitled to the return of their annuity, and of their payments in credits or money for their capital of 340,000 ducats, or an annuity of 5 per cent. according to the balance sheet of the sinking fund of the 1st September. . .	17,000
--	--------

Total amount of debt to be consolidated. . . 483,737

PROGRESSIVE RESOURCES.

PORTION OF LIFE ANNUITIES CONSOLIDATED, converted in a *Monte Multiplico* by the decree of 25th December, 1816.

The debt to be consolidated is to be paid as the claims are gradually acknowledged, in provisional inscriptions on the Great Book, to be definitively inscribed by ballot, in proportion with the progressive extinction of the pensions of the clergy and of favour, added to the Monte Multiplico, established by decree of the 25th of December, 1816, viz.

Inscriptions of ecclesiastical pensions	800,000
Ditto of favour	200,000

Total. 800,000

As this extinction is to be calculated at the rate of $3\frac{1}{4}$ per cent. per annum, it will produce upon an average 28,000 ducats of free inscriptions yearly, and after fifteen years a capital of

420,000

PROFITS OF THE LIQUIDATION.

Reductions to be obtained in the verification of the claims submitted to the general liquidation.

63,717 37

483,717 37

DEBT OF *Comptabilité*.

STATEMENTS to be made out by the different branches of the administration, and delivered to the Minister of Finance.

Creditors for stores furnished to the army and navy, and other services during the ten years' reigns of Joseph and Joachim, acknowledged by the decree of 28th June, 1815, and declared inadmissible by the subsequent decree of 7 September, 1818 . . .

*amount
undetermined.*

BUDGET OF THE FINANCES OF 1820: Chapters 33, 34, 35, and 36, of the Fourth Class.

Creditors, for arrears of 1806	2,252,106 22
..... reigns of Joseph & Joachim	352,001 76
..... of 1815	84,964 53
..... of Sicily	108,174 31
..... for aids and pious grants . . .	18,401

2,815,647 82

LITIGIOUS CREDITS.

Pursuant to verdicts of the Courts against the public domains *undetermined.*

By virtue of the general statement of rights and claims retained against absentees, conformably to the decrees of 17th June and 9th August, 1815

165,000

165,000

BALANCE OF CREDITS OF ACCOUNT CURRENT.

Administrative claims of the sinking fund upon the treasury

513,075 78

BANK—NEW AND OLD DEFICIENCY.

Holders of Bank-notes

570,932 92

DISCOUNT OFFICE—Liquidation of one million of the Treasury.

The general treasury against the old Discount Office for bills discounted, and which are still to be invested from the administration of salt, tobacco, and reserved property

82,530

CAISSE DE SERVICE—Liquidation of its negotiations on the 1st of July, 1820.

To the holders of bonds of the *Caisse de Service*, for negotiations anterior to the 1st of July, 1820, according to the account rendered to the Minister of Finances by the general treasury, to the 17th of November, 1820

1,674,750 03

GENERAL TREASURY.

To the general direction of the Mint for balance of account

19,323 57

For claims of the Bank upon the Mint

19,296 44

Carried over 5,860,556 54

	Ducats.
Brought forward.....	3,860,556 54
ACCOUNT OF STORES —Of the general direction of reserved property.	
To the general treasury for purchase of tobacco....	611,797
For the manufacturing of cards.....	13,895
Ducats....	6,486,348 54

DEBT OF *Comptabilité*.**DISPOSABLE FUNDS.****PROPERTY OF THE PUBLIC DOMAIN.**

<i>Landed property.</i>	<i>Annual Rente.</i>
Of the public domain.....	duc. 98,140
Of the administration of restored property.....	54,000
Reserved property.....	203,000
Total of rent.....	355,140

Deducted.

Annuity to be returned to public institutions who have advanced it to government, by virtue of the determination of the National Parliament, sanctioned by the king	130,000	}	absorbed.
Income of the right of chase and fishing	225,140 48,223 43		
Dowry of the Prince of Salerne	176,916 57 180,000		
For the arrear of debt....	199,144	}	
Deficiency in landed property for the dewry	3,083 43		
In principal for arrear.....	199,144	}	

PROPERTY OF THE BANK.

Houses, contracts, &c. forming a capital of	22,639 at 4 p. ct. 565,975	
Litigated capitals	249,663 58	<i>uncertain.</i>

PROPERTY OF THE SINKING FUND.

Credits and debts of sundry private individuals	650,969 30	
Capitals of the old fund to be liquidated & uncertain ..	{ contracts 2,319,360 in effects 21,115 }	<i>uncertain.</i>

LITIGIOUS CREDITS.

PUBLIC DOMAIN.

Claims of the public domains upon debtors of the treasury, against whom verdicts have already been obtained, or suits instituted	<i>uncertain.</i>
--	-------------------

COURT OF ACCOUNTS.

Demands of the Court of Accounts upon its accountants for sums belonging to the treasury	361,843	
(180,921)	one half.	180,976

GENERAL ADMINISTRATION OF RESERVED DUES.

Tobacco	611,797
Playing Cards	15,895
	2,025,612 30
Deficiency	4,460,636 24
Ducats....	6,486,248 54

NEAPOLITAN BUDGET FOR 1821.

INCOME.

	<i>Ducats.</i>
Direct contributions	7,430,835
Indirect taxes	6,745,800
Communal twentieths	142,000
Lottery	1,000,000
Registration and Stamps	450,000
Post-office	120,000
Extraordinary receipts	130,000
Waters and Woods	56,000
Discount Fund	90,000
Two and a half per cent. drawback	150,000
Bank of Puglia	740,000
Forfeitures	25,150
Revenue of Sicily	2,190,000
Arrears of Sicily	27,200
Incidentals	83,749
	19,380,734

EXPENDITURE.

Department of Foreign Affairs	390,000
Justice and Worship	792,195
Finances	6,993,886
Interior	2,467,960
War	7,642,000
Marine	1,800,000
Police	194,212
Chancery	74,613
Stamp-office and Post	660,000
	21,014,866

Enactment of the 27th November, 1821, for regulating the appropriations, &c. of the Sinking Fund.

FERDINAND I. by the grace of God, &c. &c.

By our Royal decree of the 19th of May last, we assigned to the Sinking Fund, all the effects and revenues which the State had disposable, besides those which we thought fit to except; and we ordered, that being converted into inscriptions, in the manner provided for by several preceding decrees, the produce of the sale might serve for the liquidation of a part of the revenue inscribed on the Great Book of the public debt. Considering that the act which on the one hand renders it indispensable to secure the punctual payment of the revenue, on the other hand acknowledges the necessity of accelerating by all possible means the extinction of the public debts; considering, that for the creation of the 800,000 ducats of revenue, mentioned in our decree of the 29th of May, and destined to meet the urgent wants of the State, occasioned by the late distress of this kingdom, the funds assigned to the Monte Multiplico towards the progressive extinction of the public debt, are no longer sufficient, and that it is proper other funds should be assigned for completing the dotations necessary for the half yearly payment of the revenue inscribed in the Great Book of the public debt; considering that the operations tending to the extinction of the public debt demand the labour of persons of the highest distinction for knowledge and experience, who thus assisting the directors of the sinking fund in the management of that branch of the public service, and co-operating in the success of an object of such importance for the welfare of the State, may, by their prudent conduct, accelerate the measures necessary for obtaining the desired result;—read article 320 of our royal decree of the 26th current, by which we ordered that the following properties and effects should remain assigned to the sinking fund besides those already appropriated to it viz.

1. The Exchequer of Puglia, with all its dependencies and all the arrears of contributions, whether ordinary or extraordinary.
2. The disposable effects, and funds, and revenues, of whatever kind dependent on the general direction of the public domains.
3. The funds of the administration of property at our royal disposition.
4. The funds of the administration of the property, given and appropriated to the State, including the remainder of the contributions.
5. The produce of the property and revenues of the Monte Borbonico, with all the claims depending thereon.
6. Finally, the property, debts, and revenues, of whatever kinds or denomination, existing in the Royal Treasury, and those which may in the course of time fall in, either of themselves or by compulsory adjudication, or by means of voluntary cession, or otherwise.

On the proposition of the Director of our Royal Secretariat of State of Finance, the Council of State being heard; we have resolved to decree and do decree as follows:

Art. 1. The disposable effects and revenues, assigned to the general administration of the sinking fund by article 3 of our Royal Decree of the 26th instant, deducting whatever funds we may for just reasons choose to except, and excluding for the present the Exchequer of Puglia, shall be alienable by means of the payment of the value in inscriptions on the Great Book of the public debt. These inscriptions shall be transferred to the general administration of the sinking fund, and their produce shall be allotted to the extinction of the public consolidated debt, in conformity with the laws and regulations relative to the Monte Multiplico, with the chest of that institution.

2. The funds which were by our royal decree of the 1st Jan. 1819,

assigned to the Monte Multiplico, shall be henceforth intangible, and solely applicable to the uses of that institution; that is to say, to the extinction of the public consolidated debt. We also reserve to ourselves the increasing in any other manner the funds of the said Monte Multiplico.

3. Besides the property and revenues assigned to the general administration of the sinking fund by article 3. of our decree of the 24th of the present month, there remained now assigned to the said general administration, the fifth of the annual territorial contribution of our royal dominions on this side of the Faro. For this purpose we order, that from and after the 1st January, 1822, the receivers of the said provinces shall deposit with the general administration of the sinking fund, a sum corresponding with the fifth of their charges for land-tax. The payments or deposits shall be made in the same manner as is practised with respect to payments to the general treasury.

4. The general administration of the sinking fund shall, on the 30th of June and the 31st of December, transmit to the General Direction of the Great Book, the sum arising from all the funds assigned to the said general administration of the sinking fund, for the half yearly payments of the public consolidated debt. When from extraordinary accidents the said administration cannot fully make up the sum arising from the assignments, the general treasury shall supply the deficiency.

5. In order that the sum which may be daily received by the general administration of the sinking fund from the property thereto assigned, or arising from any other title, and the sums which may fall in from the land tax, may not remain inoperative until the period at which the said general administration must make the payments to the general direction of the Great Book, the general administration of the sinking fund may employ the above mentioned sums in such manner as to derive profit therefrom. These funds shall in preference be employed in the discount of the warrants of half yearly inscriptions; next, in the discount of any commercial effects; and finally, in others which may appear advantageous. The operations for this purpose shall be regulated by a commission, appointed by article 7 of the present decree.

6. The produce of the discounts and transactions referred to in the preceding article, shall form a fund of augmentation for the Monte Multiplico.

7. There shall be established in the general administration of the sinking fund, and presided by the Director General of the said administration, a commission composed of six distinguished and respectable persons of the principal classes of the state. It shall have a representative of the Public Ministry for president, and a secretary, to be appointed by us.

8. This commission shall direct all the operations tending to the objects for which it is instituted. It will sit in concurrence with the Director General of the Administration of the Sinking Fund, and will take especial charge of the extinction of the public debt. The commission shall meet in the place where the general administration of the sinking fund transacts business.

9. The commission shall decide by the plurality of votes, five members at least being present: it cannot meet without the intervention of the Public Minister, or his deputy.

10. Six members of the commission shall, in the first instance, be appointed by us, on the recommendation of the Director of our Royal Secretariat of State for the Finances. They shall afterwards be renewed one in each year successively; and the individual annually appointed shall be selected by us from a triple list presented by the commission itself to our Royal Financial Secretariat of State. The same mode of election shall take place for the Secretary, in case of vacancy.

11. The commission, in the formation of the election lists prescribe^d by the last article, shall take care to insert in preference the names of persons who, to the requisites of property and talents, add that of being possessors of a large amount of revenues inscribed on the Great Book of the Public Debt. Such circumstances shall be accurately stated in the triple lists.

12. During the first five years the commission shall, at the end of each year, decide by lot which of the members shall go out.

13. Persons who have been members of the commission may be re-elected, but according to the conditions prescribed in articles 10 and 11.

14. The Director of the General Administration of the Sinking Fund, with the aforesaid commission, shall, in the beginning of every month, present to our Royal Secretariat of State for the Finances a precise account of all the operations, active and passive, which have taken place in the preceding month, and of the results which they have produced. This account shall be signed by the Director General, and by all the members of the commission, the Secretary, and the Public Minister. At the end of the year, the general administration of the sinking fund shall draw up a general account, with all the proper documents annexed to it. This account shall be examined by the Commission, and signed by the members, who shall state whether they approve it, or make such other observations as they may consider necessary.

15. The account of the general administration of the sinking fund, after being, in conformity with the preceding article, examined by the Commission, shall be transmitted to the High Court of Accounts, to be there examined and judged by all the Chambers assembled in a General Sitting, in the same manner as is practised with regard to the account of the general direction of the Great Book of the Public Debt. A copy of the account is to be transmitted to the Council of State, and another to the Secretariat of the Finance Department.

16. A particular regulation, to be approved by us, shall establish the mode of accountability for the different branches of the general administration of the sinking fund, and shall terminate the practical execution of all the operations intrusted to the general administration of the sinking fund, and the commission established therewith.

17. The Director of our Royal Secretariat of State for the Finance Department is charged with the execution of this decree.

FERDINAND.

The Marchese D'ANDREA,
Director of the Royal Secretariat of State
for the Finances.

Naples, Nov. 27.

DOCUMENTS.

UNITED STATES OF AMERICA.

ANNUAL TREASURY REPORT.

Treasury Department, 10th December, 1819.

1st, of the Revenue.

THE net Revenue, arising from duties upon imports and tonnage, internal duties, direct taxes, public lands, postage, and other incidental receipts, amounted as follows:

	1815.	1816.	1817.
Customs	36,306,022 51	27,484,100 36	17,524,775 15
Internal duties	5,963,225 88	4,396,133 25	2,676,882 77
Direct tax	5,723,152 25	2,785,343 20	1,833,737 04
Public lands	1,287,959 28	1,754,487 38	2,015,977 ..
Postage and other incidental receipts ..	275,282 81	237,840 53	313,850 38
Dollars	49,555,642 73	36,657,904 72	24,365,224 34

	1818.
Customs	21,128,451 48
Arrears of internal duties	947,946 33
Arrears of direct tax	263,926 01
Public land, exclusive of Mississippi stock	2,464,527 90
Postage, dividends on Bank stock, and other incidental receipts	590,348 93

Dollars 25,395,200 65

It is ascertained that the gross amount of duties on merchandise and tonnage, which have accrued during the three first quarters of the present year, exceeds 18,000,000, and the sales of public lands during the same period, have exceeded 8,700,000.

The payments into the Treasury during the three first quarters of the year are estimated to amount to, inclusive of 169,593 doll. 7 c. in treasury notes as follows:

Customs	15,604,081 53	
Public Land, exclusive of Mississippi stock	2,858,656 61	
Arrears of internal duties	195,531 02	
Arrears of direct tax	72,880 24	
First instalment payable by the U.S. Bank	500,000 ..	
First dividend on the U. S. shares in the U. S. Bank	175,000 ..	
Incidental receipts	59,095 43	
Repayments	85,462 29	
		19,550,307 12

And the payments into the Treasury during the fourth quarter of the year from the same sources, are estimated at 5,000,000

Making the whole amount estimated to be received into the Treasury during the year 1819, exclusive of 169,594 dol. 07 c. in Treasury notes 24,381,013 5

Which, added to the balance in the Treasury on the 1st of January last, exclusive of 32,155 dol. 51 c. in Treasury notes, amounting to 1,446,371 23

Making the aggregate amount of dols. 25,827,384 28

The application of this sum for the year 1819, is estimated as follows ; viz. To the 30th of September the payments, exclusive of 81,161 dol. 79 c. in Treasury notes, which have been drawn from the Treasury and cancelled, have amounted to

Civil, diplomatic, and miscellaneous expenses	2,544,612 98	
Military service, including arrearage	7,665,961 72	
Naval service, including the permanent appropriation for the gradual increase of the navy	3,527,640 42	
Public Debt, exclusive of 81,161 79 in Treasury notes, above mentioned ...	4,454,172 31	
		18,192,387 43

During the fourth quarter it is estimated that the payments, exclusive of 120,587 79 in Treasury notes, which will be drawn from the Treasury & cancelled, will amount to

Civil, diplomatic, and miscellaneous expenses	500,000	
Military service	1,530,000	
Naval service	300,000	
Public debt to the 1st Jan. 1820, exclusive of 120,587 72 Treasury notes above mentioned	4,970,000	
		7,300,000

Making the aggregate amount, exclusive of 201,749 58 in Treasury notes drawn from the Treasury and cancelled, of 25,492,387 43

And leaving on the 1st January, 1820, a balance in the Treasury, estimated at 334,996 96

2. Of the Public Debt.

The funded debt, which was contracted before the year 1812, and which was unredeemed on the 1st of October, 1818, amounted to	dols. 29,681,270 07
And that contracted subsequently to the 1st January, 1812, and unredeemed on the 1st October, 1818, as by the same statement, amounted to	68,146,049 84
Making the aggregate amount	97,827,319 91

Which sum agrees with the amount stated in the last annual report, as unredeemed on the 1st October, 1818, excepting the sum of 1885 dol. 13 c. short estimated, and which has since been corrected by actual settlement.

On the 1st of January there was added to the amount for Treasury notes brought into the Treasury and cancelled, and for which the following stock was issued,

In 6 per cent. Stock	49,024 71	
7 " "	2,646 00	
		51,670 71
Making		97,879,990 62
From which deduct Louisiana 6 per cent. stock, reimbursed on the 21st October, 1818	4,997,950 00	
And deferred stock reimbursed between 1 October, 1818, & 1 Jan. 1819	233,863 27	
		5,231,813 27
Making the Public Debt, which was unredeemed on the 1st January, 1819, amount to		92,648,177 35
From the 1st January to 30th September inclusive, there was, by funding Treasury notes, and issuing 3 per cent. on old registered debt, added to the public debt the amount of		36,135 59
From which deduct the amount of stock purchased during that period	711,957 55	92,684,312 94
And the estimated reimbursement of the deferred stock	243,827 88	955,785 43

Making on the 1st October, 1819, the sum of ..dols. 91,728,527 51.

Since the 30th September there have been redeemed, or provision made, for the redemption of 54 per cent. of the Louisiana stock unpaid on the 1st of October, 1819, amounting to 2,601,817 18

And there will be reimbursed of the principal of the deferred 6 per cent. stock on the 1st January, 1820	241,506 70	
		2,843,323 85
Leaving the public debt unredeemed on the 1st January, 1820, by estimate	dols. 88,885,903 66	
The Treasury notes in circulation are estimated at		181,821
The whole of the awards made by the Commissioners appointed under the several acts of Congress for indemnifying certain claimants of public lands, amounts to.		4,282,151 12
Of which there has been received at the office of the Commissioner of the General Land Office, the sum of		2,372,574 31
Leaving outstanding at the dates of the several returns from the land districts.....		1,909,576 81

3. Of the Estimates of the Public Revenue, and of Expenditure for the year 1820.

In presenting the estimates for the year 1820, it may be proper to observe that on the 31st of December, 1817, the permanent revenue, including internal duties, was estimated at 24,525,000 dollars, whilst the annual authorised expenditure was ascertained to be less than 22,000,000. The repeal of the internal duties reduced the former to 22,025,000, whilst the payments from the Treasury during the year 1818 exceeded 26,000,000, and those of the present year will probably fall but little short of 25,500,000.

In the annual report of the Treasury of the 21st November, 1818, the receipts for the present year were estimated at 24,220,000 dollars, although this estimate will be realised in its general result, deficiencies have been ascertained in the customs, the internal duties and direct tax, the Bank dividends, and postage of letters. The deficiency which has occurred in the Customs, internal duties and direct taxes, will probably augment in nearly the same degree the receipts in those sources in the year 1820, by the payment of the revenue bonds, and of that portion of the internal duties and direct taxes which, if the accustomed punctuality had been observed, would have been received during the present year. But it is probable that the receipts of that year will be diminished by the non-payment of the Bank dividends, and by the application of a portion of the proceeds of the public lands to the redemption of the outstanding Mississippi stock. The receipts for the year 1820, applicable to the ordinary and current demands upon the Treasury, may therefore be estimated at 22,000,000 dollars; viz.

Customs	19,000,000
Public lands	2,000,000
Arrears of internal duties and direct taxes	450,000
Second instalment due by the United States Bank.....	500,000
Incidental receipts	50,000
Which, with the sum estimated to be in the Treasury on the 1st Jan. 1820 ..	334,996 90

Make the aggregate amount of dols. 22,334,996 90

The estimates of the expenditure for the year 1820 are not yet complete, but it is ascertained from those that have already been received, that a sum not less than 27,000,000 dollars will be required for the service of that year. This deficit of nearly 5,000,000 dollars, resulting from the excess of expenditure beyond the receipts, cannot be supplied by any application of the ordinary revenue. After paying the interest and reimbursement of the public debt, and reducing the remainder of the Louisiana Stock, about 2,500,000 of the sinking fund will remain without application, if the price of the public stocks should continue above the prices at which the Commissioners are authorised to purchase. During the years 1821, 1822 and 1823, the average sum of 5,000,000 dollars of the sinking fund will also remain without application, if the price of the public stock should prevent its purchase. Any application of that portion of the sinking fund, which on account of the price of the public stocks may remain unemployed in the hands of the Commissioners of the sinking fund to other branches of the public service, if allowable under the provisions of the act making the appropriations, would only postpone the period at which additional impositions would be required to meet the public expenditure. Such an application would also have the effect of ultimately retarding the redemption of the public debt.

It may be proper to add, that although some of the items of the estimate for the ensuing year may be considered in their nature temporary, yet it is probable that the estimate for succeeding years will exceed rather than fall below it.

Under all the circumstances, it is respectfully submitted, that the public interest requires that the revenue be augmented, or that the expenditure be diminished.

Should an increase of the revenue be deemed expedient, a portion of the deficit may be supplied by an addition to the duties now imposed upon various articles of foreign merchandize, and by a reasonable duty upon sales at public auction; but it is not probable that any modification of the existing tariff can supersede the necessity of resorting to internal taxation, if the expenditure is not diminished. Should congress deem it expedient to mollify the present rate of duties with a view to afford the protection to our Cotton, Woollen and Iron Manufactures, which is necessary to secure to them the domestic markets, the necessity of resorting to a system of internal taxation will be augmented. It is believed that the present is a favorable moment for affording efficient protection to that encreasing and important interest, if it can be done consistently with the general interest of the nation. The situation of the countries from whence our foreign manufactures have been principally drawn, authorises the expectation that in the event of a monopoly of the home market being secured to our Cotton and Woollen Manufactures, a considerable portion of the manufacturing skill and capital of those countries will be promptly transferred to the United States, and incorporated into the domestic capital of the union. Should this expectation be realized, the disadvantages resulting from such a monopoly would quickly disappear. In the mean time it is believed that a system of internal taxation would be severely felt by the great mass of our citizens.

Whether the revenue be augmented, or the expenditure be diminished, a loan to some extent will be necessary. The augmentation of the one, or the diminution of the other cannot be effected in sufficient time to prevent this necessity. As the 6 per Cent. Stock of the United States is considerably above par, the sum required to be raised by loan can be conveniently and advantageously obtained by the issue of Treasury notes. If the revenue

and expenditure shall be equalized, the issue of Treasury notes, not bearing interest, is recommended in preference to the creation or sale of Stock, as the loan in that event will be small in amount and temporary in its nature, all which is respectfully submitted.

Wm. H. CRAUFORD.

Extract of the President's Message of Nov. 1820.

In looking to the internal concerns of our country, you will, I am persuaded, derive much satisfaction from a view of the several objects to which, in the discharge of your official duties, your attention will be drawn. Among these none holds a more important place than the public revenue from the direct operation of the power by which it is raised on the people, and by its influence in giving effect to every other power of the government. The revenue depends on the resources of the country, and the facility by which the amount is raised, is a strong proof of the extent of the resources and of the efficiency of the government. A few prominent facts will place this great interest in a just light before you. On the 30th of September, 1815, the funded and floating debt of the United States was estimated at 119,635,558 *drs.* If to this sum be added the amount of the 5 per Cent. Stock subscribed to the Bank of the United States, the amount of Mississippi Stock, and of the stock which was issued, subsequently to that date, the balances ascertained to be due to certain States for Military services, and to individuals for supplies furnished and services rendered during the late war, the public debt may be estimated as amounting at that date, and as afterwards liquidated, to 158,713,049 dollars. On the 30th September, 1820, it amounted to 91,993,883 *drs.* having been reduced in that interval by payments 66,719,166 *drs.* During this term the expenses of the government of the United States were likewise defrayed in every branch of the Civil, Military and Naval establishments. The public edifices in this city have been rebuilt with considerable additions; extensive fortifications have been commenced and are in a train of execution; permanent arsenals and magazines have been erected in various parts of the Union; our navy has been considerably augmented, and the ordnance munitions of war, and stores of the army and navy, which were much exhausted during the war, have been replenished. By the discharge of so large a portion of the public debt, and the execution of such extensive and important operations in so short a time, a just estimate may be formed of the great extent of our national resources; the demonstration is the more complete and gratifying when it is recollected that the direct tax and excise were repealed soon after the termination of the late war, and that the revenue as applied to these purposes has been derived almost wholly from other sources. The receipts into the treasury from every source to the 30th of September last, have amounted to 16,794,107 *drs.* and 60 cents; whilst the public expenditures to the same period amounted to 16,871,534 *drs.* and 72 cents. leaving in the Treasury on that day a sum estimated at 1,950,000 *drs.* For the probable receipts of the following year, I refer you to the statement which will be transmitted from the Treasury. The sum of three millions of dollars, authorized to be raised by loan by an act of the last session of Congress, has been obtained upon terms advantageous to the government, indicating not only an increased confidence in the faith of the nation, but the existence of a large amount of capital seeking that mode of investment at a rate of interest not exceeding 5 per Cent. per annum. It is proper to add, that there is now due to the Treasury for the sale of public

lands 22,996,545 drs. In bringing this subject to a view, I consider it my duty to submit to Congress whether it may not be advisable to extend to the purchasers of these lands, in consideration of the unfavorable change which has occurred since the sales, a reasonable indulgence. It is known that the purchases were made when the price of every article had arisen to its greatest height, and that the instalments are becoming due at a period of great depression. It is presumed that some plan may be devised by the wisdom of Congress compatible with the public interest, which would afford great relief to these purchasers, &c.

PUBLIC DEBT AND SINKING FUND.

Letter from the Secretary of the Treasury, transmitting (pursuant to sundry resolutions of the 17th ultimo,) a statement of the actual balance, &c. in the Treasury, on the 1st day of January, 1820, together with a statement of the amount of the public debt redeemable in 1820, 1821, 1822, 1823, and 1824, exhibiting also the interest payable in, and the balance of the annual appropriation of 10,000,000 dollars, which will remain unapplied at the close of each year.

Treasury department, 24th January, 1820.

SIR,

In obedience to sundry resolutions of the house of representatives of the 17th instant, directing the secretary of the treasury to report 1st. the actual balance in the treasury, and in the hands of the treasurer, as agent of the navy and war departments, and the amount of any subject to the control of the commissioners of the sinking fund, on the 1st day of January, 1820; 2d. the principles upon which the receipts into the treasury from the sales of public lands, for the year 1820, has been estimated; and, 3d. what amount of the public debt will be redeemable according to the terms of the contract in the years 1820, 1821, 1822, 1823, and 1824; and what amount would be left of the sinking fund in each year respectively, after payment of the interest of the public debt, and the portion of the principal which may be redeemable within the year: I have the honor to submit two statements, marked A. and B.

If the payments for public lands were made when they fall due, the greatest accuracy might be attained in estimating the receipts into the treasury from the sales previously made. So far as the receipts would be affected by sales made during the year embraced by the estimate, it would necessarily be conjectural. But, as the purchasers are subject to no penalty for delay of payment until the expiration of five years from the date of the sale, except the payment of interest, a general want of punctuality every where prevails. The sums which ought to be paid at the end of the second, third, and fourth years, are more generally paid in the fifth year.

If the indulgence which, since the year 1809, has been uniformly extended to the purchasers of the public land had not grown into a system, it would be practicable to determine, with sufficient accuracy, the amount of the receipts into the treasury during any year, so far as they depended upon sales previously made, after the principal land offices had been opened for five years. The debt contracted by the purchase of lands in any given year would not materially differ from the sum which would be receivable during the fifth year after it was contracted. But the frequent and general indulgence

which has been extended to the purchasers of the public lands, has rendered the application of this rule for estimating the receipts into the treasury from that source of the revenue entirely nugatory. The payment of interest is, in fact, under this system of indulgence, the principal inducement to the punctual discharge of the instalments as they become due, or at any later period. As the use of money is generally worth more than legal interest, where the payments are made, the want of punctuality will probably become more general. In estimating the probable receipts into the treasury during the year 1820, more reliance has been placed upon the quantity of land which will, within the year, be offered at public sale, than upon the sums which may be payable during that period, on account of sales previously made.

I have the honor to be, with great respect, Sir, your obedient servant,
WM. H. CRAWFORD.

The Hon. the SPEAKER
of the House of Representatives.

(A.)

A statement of the actual balance in the treasury, and in the hands of the treasurer, as agent of war and navy departments, and the balance in the treasury subject to the control of the commissioners of the sinking fund, on the 1st day of January, 1820.

Balance in the treasury	dols. 2,536,823	28	c
In the hands of the treasurer, as agent of the war department	995,945	13	
In his hands as agent of the Navy department	372,913	70	
Balance in the treasury subject to the control of the commissioners of the sinking fund.....	b. 2,378,398	42	

a. This sum will probably be increased when the returns from all the receivers of public money, and of the banks in which they make their deposits, are received, for the month of December. At the date of their last returns there were in their hands 334,560 53, dols. which sum would be augmented by the payments made during that month.

b. Of this sum 1,646,117 dls. 42 are applicable to the payment of that amount of Louisiana stock, still outstanding, which was redeemable on the 21st October, 1819.

(B.)

Statement of the amount of the public debt redeemable in 1820, 1821, 1822, 1823, and 1824, exhibiting, also the interest payable in, and the balance of the annual appropriation of 10,000,000 dls. which will remain unapplied at the close of each year.

Balance of appropriation for 1819, unapplied in that year	2,378,398	42
Appropriation for 1820	10,000,000	00
	12,378,398	42

Principal redeemable in 1820.

Claims on account of the instalments of Louisiana stock, payable in 1818 and 1819, unapplied for on the 1st

December, 1819 1,646,117 42 dls.

Residue of Louisiana stock.. 2,216,462 77

Six per cent stock of 1796 ..	80,000 00 dls.	
Reimbursement of deferred stock	503,196 94	
Total principal	4,445,777 13	
Interest payable in 1820	4,911,843 00	
	<u>9,357,620 13</u>	
Balance of appropriations which will be un- applied on the 31st December, 1820		3,020,778 29
Appropriation for 1821	10,000,000 00	
Principle redeemable in 1821.		
Reimbursement of the defer- red stock	534,033 08	
Interest payable in 1821	4,773,737 68	
	<u>5,307,770 76</u>	
Balance of appropriation which will be unapplied on the 31st December, 1821		4,692,229 24
Appropriation for 1822	10,000,000 00	
Principle redeemable in 1822.		
Reimbursement of defer- red stock	566,588 75	
Interest payable in 1822 .	4,741,182 01	
	<u>5,307,770 76</u>	
Balance of appropriation which will be unapplied on the 31st December, 1822		4,692,229 24
Appropriation for 1823	10,000,000 00	
Principle redeemable in 1823.		
Reimbursement of defer- red stock	602,836 47	
Interest payable in 1823	4,704,934 29	
	<u>5,307,770 76</u>	
Balance of the appropriation which will be unapplied on the 31st December, 1823		4,692,229 24
Appropriation for 1824	10,000,000 00	
Principle redeemable in 1824.		
Reimbursement of defer- red stock	356,858 93	
Interest payable in 1824	4,666,267 31	
	<u>5,023,126 24</u>	
Balance of the appropriation which will be unapplied on the 31st December, 1824		4,976,873 76
Total amount of the annual appropriations of 10,000,000 00, for the years 1820 to 1824 inclusive, which will accord- ing to the terms of the contracts in relation to the redemp- tion of the public debt, remain unapplied on the 31st December, 1824		22,074,339 77

Treasury Department, Register's Office, 22d January, 1890.

JOSEPH NOURSE, Register.

[Extract from the Records.]

HOUSE OF REPRESENTATIVES, FEB. 6, 1821.

Report of the Committee of Ways and Means upon the subject of the Revenue.

The Committee of Ways and Means, to whom were referred three resolutions of the 3d instant, requiring of the Committee to enquire and report, "whether, in their opinion, the permanent revenue is adequate to the expenses of the government;" "whether any measures are necessary to increase the revenue, and, if so, to report those measures;" and "to enquire into the expediency of prohibiting, or imposing additional duties on the importation of foreign spirits, and imposing an excise on domestic distilled spirits," report—

That they have had these important subjects under their consideration, and have obtained from the several departments all the information which the officers at their head could furnish; yet, such are the difficulties that present themselves, that they enter into the discussion and the statements necessary to elucidate the subject, with great diffidence. They may differ in opinion with gentlemen, for whose talents they have the highest respect, and in whose integrity they have unbounded confidence; the subject is one, however, on which the best friends may fairly differ in opinion.

Is the permanent revenue adequate to the expenses of the government?

The revenue is mainly bottomed on the duties arising on the importation of foreign goods; it is, therefore, dependent on fortuitous circumstances, which cannot easily be foreseen, and which may tend to its increase or decrease; there are some, however, which can, in a degree, be appreciated. The tariff of 1816 was expected to operate a loss to the revenue, by giving what was considered, at the time, sufficient encouragement to the manufactures of the country. A variety of causes, arising out of excessive and ruinous importations, and the time required for diverting one channel of commerce or supplies into another, has, until lately, prevented the effect from being materially felt. The operation of that tariff is now beginning to be known, and the effect on the revenue is believed to be considerable; its extent is, however, not completely developed. Its operation on a few of the principal articles may afford some idea of the increase of our manufactures, and the consequent decrease of the revenue, resulting from the duties on the importation of such articles.

The tariff of 1816 increased the duty on brown sugar about 20 per cent. and gave a protecting duty to that article of three cents per pound. No material decrease has, as yet, resulted to the revenue therefrom. The tariff was enacted during the existence of the excise on domestic distilled spirits, and an additional duty was imposed for the protection of the domestic article. The excise on imported spirits was repealed; the duty was continued; and the duty on foreign spirits exceeds, at this time, the whole value of the domestic, the average duty on the imported being 43 cents per gallon, when the value in the market of the domestic does not exceed 33 cents the gallon. This has tended, it is believed, to decrease the consumption of foreign spirits, and, of course, the amount of the revenue. In 1818, the nett revenue from imported spirits, after deducting the debentures, amounted to 2,646,186 dollars, and in 1819 to 1,959,135 dollars.

The tariff of 1816 raised the duties on cotton and woollen cloths from 12½ per cent., the duty imposed prior to the late war, to 25 per cent. and it valued all cotton cloths under a cost of 25 cents the square yard, (although

some cost as low as six cents), as if they had actually cost 25 cents, and charged the duty thereon accordingly. The result has been, that cotton goods imported from India, under a cost of 25 cents the square yard, pay a duty exceeding 60 per cent. on the average cost of those heretofore imported from that country, and above 40 per cent. on the average cost of similar goods when imported from Europe. The operation has had a salutary effect on our infant manufactures of cotton, which begins to be understood by the manufacturers. The importations from India of such cottons as are under a cost of 25 cents the square yard, have almost ceased, *for consumption*, and those from Europe have decreased, it is believed, to a considerable extent. The coarse cottons of our domestic manufactures have entered, it is believed, into the consumption of the nation, nearly equal to the wants of the people. The increase of our woollen manufactures has afforded a considerable quantity of woollen cloths for consumption, but we have no information on which to form a decided opinion as to its extent. Other important articles of domestic manufactures are silently entering into competition with those heretofore imported from foreign nations.

Those circumstances, added to the distresses of the people, and to the price of our exports, being such as, in a great degree, to affect the means of paying for imports, make it extremely difficult to form a correct estimate of the revenue which may arise hereafter from duties on imports, estimated on that which had been received in former years.

With those views, which the Committee have deemed it proper to submit, they proceed to answer the first resolution.

They are of opinion, "*that the revenue which will be received in the present year, will be adequate to the expenses of the government;*" and, should no change take place, the revenue will, in their opinion, during the years 1822, 1823, and 1824, be not only equal to the expenses of government, but afford such a surplus, applicable to the payment of the loan of the last year, and any that may be authorized for this year, as will, before the first day of January, 1825, fully repay the amount borrowed. The house will remember, that, as the appropriation bills have not passed, the real or true expenses of government cannot be correctly stated. The Committee are compelled, therefore, to bottom their statement on the estimated expenses, as submitted to Congress, which will, it is confidently believed, be reduced at least one and a half million of dollars.

It is now reduced to a certainty, that the actual receipts from the customs into the Treasury, during the year 1820, have been 15,005,328 dollars; which amount, it is humbly conceived, may be safely relied on as the receipts for the present year. The Committee are of opinion, that the receipts of 1821, (from that source) will exceed that amount. They form that opinion from the following circumstances, to wit: The bonds for duties in the Treasury amounted, on the first day of October, 1820, to nearly the same sum as those in the Treasury on the first of October, 1819; that, from those of 1819, an extraordinary deduction was made by the more than common amount of debentures issued on the re-shipment of goods during that year: that a similar amount of drawbacks, it is believed, will not occur during the present year; and, of course, that the revenue from imports will be greater in 1821 than that of 1820, and in this opinion they are confirmed by the following view of the Customs for the present year.

Bonds in the Treasury on the 1st of October, 1820	18,770,000
From which must be deducted—	
Bonds irrecoverable	1,250,000
Bonds in suit, which may not be received during the present year	750,000
Bonds paid in 4th quarter of 1820	2,626,815
Debentures actually issued, prior to the 1st of October, on those bonds	1,163,000
Debentures which may be issued on the same, estimated at	637,000
	6,426,815
Estimated nett proceeds from those bonds	12,343,185
Add thereto the amount of the receipts into the Treasury from bonds taken during the last quarter of the year 1820, and taken, or to be taken, during the two succeeding quarters of 1821, which, bottomed on the receipts into the Treasury for actual receipts from bonds taken during the fourth quarter in 1819, and the first and second quarters in 1820, are established to give, for the present year, the sum of	4,437,205
	16,780,890

The Committee have submitted the preceding view of the customs for 1821, for the consideration of the house, but would not be willing to pledge themselves for the result; the items they believe to be correct, and the present appearance of our commerce, becoming less unfavourable, warrants them in the belief that the revenue from customs, for 1821, will not be less than sixteen millions of dollars. They, however, deem it more safe to assume the receipts of the present, on that of the preceding year, and therefore submit the following statement:

Estimated receipts for 1821.

Customs received in the first, second, and third quarters of 1820, see secretary's report	12,378,513
Customs received in the fourth quarter	2,626,815
A statement from the treasury to your Commit- tee, assumed as the receipt for 1821	15,005,328
Land, agreeably to the report of the Secretary of the Treasury	1,600,000
Internal taxes, by same	100,000
Bank dividend, by same	350,000
Post office and incidental receipts, may be esti- mated at	100,000
	17,155,328

Estimated Expenditure.

See Treasury Report of December 4, 1820.

Civil	1,769,850
Civilizing Indians	29,200
Military department	6,798,515

DOCUMENTS.—U. S. AMERICA.

243

Naval department	2,928,676	
Public debt, principal and interest, for 1821...	5,477,776	
		<u>17,004,017</u>
Excess of receipts over payments.....	<i>Dols.</i>	151,811

The preceding statements shew that there will be an excess of receipts over the expenditure, even if the whole amount, estimated for by the different departments, should be granted and expended. But it is known that the amount is estimated on the presumption that all the expenditures authorised by law will be required. This, however, in time of profound peace, has seldom been the case. The reform in the army, and reduction from the estimates of the several departments, will amount at least to one and a half million of dollars, and thus confirm the opinion expressed by the Committee, "That the revenue for 1821, will be fully adequate to the expenses of government for that year."

The Committee submit their views for the succeeding years of 1822, 1823, and 1824, to prove the opinion, that the revenue will be fully equal to the payment of the expenses of government during those years. In addition to the statement given of the receipts from customs for the year 1821, and with the view of further elucidating the subject, they submit the following statements of the receipts derived from the customs, land, &c. for the years 1817, 1818, 1819, and 1820; three of those years are known to be the minimum years, the fourth not uncommonly productive.

1817.. The customs produced nett	dols.	17,524,778	
1818.. ditto ditto		21,828,431	
1819.. ditto ditto		17,116,702	
1820.. ditto ditto		15,005,328	
			<u>dols. 71,475,239</u>
71,475,239 dols. averaged on 4 years, gives for 1 year..			17,868,809

Although your Committee think it probable that the average receipts from the customs, during those four years, will be realized for the years 1822, 23, and 24, yet, under the uncertainty arising from the view already given, they consider it more safe to assume a less amount, and therefore submit the following statement of receipts and expenditures, as one which they have full confidence may be relied upon for 1822, 23, and 24.

Receipts.

Customs	dols.	17,000,000	
Land (per report of Secretary)		2,500,000	
Bank dividends		420,000	
Postage and incidental		200,000	
			<u>20,120,000</u>

Expenditure for those years.

Civil, miscellaneous, and diplomatic	dols.	1,750,000	
Civilizing Indians		29,000	
			<u>1,779,000</u>

Military Department, to wit :

Arming militia	dols. 200,000	
Indian annuities	152,000	
Revolutionary pensions	1,200,000	
Invalid pensions	300,000	
Fortifications	400,000	
Indian Department	170,000	
National armories	360,000	
Canon, shot, and shells	50,000	
Arsenals	30,000	
Army proper (including the ordnance service, and the military academy at West Point) esti- mated, agreeably to the bill which has passed the house, at its utmost amount, to cost	2,000,000	4,862,000
Naval, including 500,000 dols. per annum, for the gradual increase of the navy, amounting, agreeably to the estimate for 1821, to		2,928,676
Public debt, (see report)		5,477,000
		dols. 15,046,676

Leaving a surplus of 5,673,324 dols. per annum, from which will be deducted the interest on any loan that may be authorized during the present year.

The preceding view will shew, that the Committee, in answer to the second question, to wit: "Whether any measures are necessary to increase the revenue?" are of opinion, that the revenue is amply adequate to the expenses of the government, and, of course, that no measure for its increase is necessary.

To the third resolution, to wit: "Is it expedient to prohibit or impose additional duties on the importation of foreign spirits, and to impose an excise on domestic spirits?" the Committee answer, that the revenue from imported spirits amounted, in 1818, to 2,646,186 dollars; in the year 1819, to the sum of 1,959,125 dollars; and, it is believed, that that of the year 1820 will not amount to the sum received in 1819. But the Committee are of opinion, that the imposition of an excise, at this time of extreme distress, would be unwise, and is not demanded by the condition of the treasury, and that, if imposed, it would be difficult to collect; and if collected, it would, in some parts of the union, be in paper little available to the Treasury. They, therefore, submit their opinion against any immediate imposition of an excise on domestic spirits, or of any new duty on, or prohibition of, the importation of foreign spirits.

The Committee have thus far confined themselves to the answering of the three resolutions referred to them; they have, however, deemed it not improper, whilst on the subject, to submit their views of the financial state of the Treasury.

The demands on the Treasury necessary to complete the payments for the year 1820, are,

For civil, diplomatic, and miscellaneous	dols. 855,906 00
Public debt	2,076,913 15
Mississippi stock	571,827 57

Navy department (report of 21st December)	1,110,000 00
War department, agreeably to a letter from the Secretary, dated 31st Jan. to the Committee of Ways and Means.....	692,285 75
From which must be deducted, agreeably to the same letter, the amount of money in the hands of the Treasurer, as agent for that department, on the 1st January, the sum of	251,565 30
	440,720 45

5,055,366 17

From which is to be deducted—amount of money in the Treasury on the 1st day of January.....	1,076,271 18
Less the notes of insolvent banks, which will not be available during the present year.	600,000

Leaving, of available funds, in the Treasury on the 1st Jan. 476,271 18

Balance against the Treasury, on the first day of the present
year dols. 4,579,094 99

The Committee believe the above statement to be accurate, and that the balance against the Treasury on the first day of the present year, amounted to the sum of 4,579,094 99; that balance will, it is believed by your Committee, be reduced by retrenchment in expenditures, as already stated, to an amount not less than one and a half million, which will reduce the actual deficit to be provided for, to the sum of 3,079,094 99; say three millions seventy-nine thousand and ninety-four dollars and ninety-nine cents. But, if the estimate of the Treasury should prove correct, to wit:

That the customs in 1821 will produce only fourteen millions, then the two years will shew the following result:

Deficit, as above, on the 1st January	dols. 4,579,094 99
Excess of expenses over receipts in the year 1821, estimated on the demands made by the several departments, con- formably with the existing laws.....	854,017 00

	5,433,111 99
From which deduct amount of expected retrenchment	1,500,000
	3,933,111 99

The item of 854,017 will be found in the difference of 1,005,328 between the Secretary's estimates of the receipts from customs in the year 1821, and that of your Committee: from which must be deducted the excess of receipts over expenditures of 151,311 in the view they have taken above of the receipts and expenditures of 1821, which will leave the item of 854,017.

In the last view, bottomed on the estimate of the Secretary of the Treasury, for the receipts in the present year, there appears to be an actual deficit in the two years of 1820 and 1821, of 5,433,111 99, from which the Committee believe that there may be deducted for retrenchment 1,500,000, which will leave the sum of 3,933,111 99 to be provided for.

The Committee have deemed it proper to give to the house those two views of the subject. If the estimates of the Secretary, of 14,000,000 from the

customs, should prove correct, the amount to be provided for will be, as already shewn.....dols. 3,933,111 99

If that of your Committee should appear to the house as one to be relied upon, then the amount to be provided for will be 3,079,094 99

The Committee ask leave to observe, that a more accurate view of the actual amount to be provided for will be taken by your Committee, if the appropriation bills shall pass in time to afford the opportunity.

The house have been correctly informed by the Secretary of the Treasury, that it requires time to transfer the money received in the western states and in Louisiana, to the Treasury, for which the Secretary asks the aid of 600,000 dollars; that difficulty will, in the opinion of your Committee, be surmounted by the amount of appropriations which will remain unclaimed at the expiration of the present year. The unclaimed demands of appropriation at the expiration of each year have, on an average of years, amounted to about three millions of dollars; but, as the appropriations for the present year will be of a kind that will be called for to a greater proportionate amount than those of former years, it would be unsafe to calculate on a larger amount than that which would afford the time necessary to draw the funds from the states mentioned; but, to that amount, say 600,000 dollars, and to meet unforeseen demands on the Treasury, the Committee are of opinion, that the appropriations unexpended at the end of the present year will be amply adequate, and, therefore, they do not recommend any provision therefor.

The house will duly appreciate the difficulties under which the Committee have acted, and will pardon unintentional errors, if any. The Committee will only add, that they have used every exertion in their power to arrive at a correct view of the important subjects submitted to their consideration. All which they respectfully submit.

WAYS AND MEANS.

Report of the Committee of Ways and Means, to whom was referred so much of the President's message, at the commencement of the Session, as relates to the finances. February 28, 1821.

The Committee of Ways and Means, to whom was referred so much of the President's message, at the commencement of the Session, as relates to the finances, respectfully submit the following report:

The total net receipts into the Treasury, during the year 1820, amounted to dols. 20,969,001

State of the Treasury, Public Revenue, and appropriation for the service of the year 1821.

And first. The state of the Treasury.

The amount of available money in the Treasury on the first day of January, agreeably to the report of the Committee, dated the 6th February, was believed to be dols. 476,271 18
From which must be deducted amount of deposits in the bank of Vincennes, which it cannot pay 214,808 00
Leaving available funds in the Treasury on the 1st day of January, the sum of 261,463 18

Second. The revenue for 1821.

Customs, as estimated by the Committee of Ways and Means, in their report of the 6th February.....	dols. 15,005,328
Land estimated by the Committee.....	800,000
Internal taxes, agreeably to the report of the Secretary of the Treasury.....	100,000
Bank dividend by the same.....	350,000
Post-office receipts from debts of banks, and other incidental receipts.....	100,000
Estimated amount of means available for the service of the year 1821.....	16,355,328

*And, third. Amount of the several appropriations for the year 1821.**1. Permanent appropriations, viz.*

Principal and interest of public debt.....	dols. 5,477,776
Gradual increase of the navy.....	500,000
Arming the militia.....	200,000
Indian annuities.....	152,000
Indian trading houses.....	19,000
Civilization of Indians.....	10,000
	6,358,776

2. Temporary, agreeably to the several appropriations made for the service of the present year.

For the service of the navy....	dols. 2,209,093
For the military.....	4,936,451
Civil department.....	1,517,352
Public buildings.....	90,445
Private claims, estimated at.....	200,000
Treaty of Ghent, presumed.....	45,000
Spanish treaty, supposed.....	100,000
	9,098,341

15,457,117

Leaving an excess of receipts, over the expenses authorized by law, of

898,211

And of the state of the Finances.

Actual balance against the treasury on the 1st day of January; see report of the Committee of Ways and Means	4,579,094
To which must be added amount due by the Vincennes bank, and which will not be available for the service of the present year; see secretary's letter of 19th inst.....	214,808
Actual deficit to be provided for	4,793,902

To supply that deficit, there may be applied the surplus of the estimated receipts in 1821, over the expenditures authorized by the several

acts of appropriations passed during the present session, which is presumed, by the preceding view, to amount to the sum of	898,211	
And the available funds in the Treasury on the 1st day of January	261,463	
		1,159,674
Leaving an actual deficit, to be provided for by loan, of		3,634,328
But if the estimate of the Secretary of the Treasury should prove correct, to wit; that the customs will yield only fourteen millions, then there must be added (the difference between his estimate, and that of the Committee) the sum of		1,005,328
		dols. 4,639,556

The Committee, under all these circumstances of difficulty and doubt, submit a bill authorizing a loan for four million five hundred thousand dollars.

The house will perceive a difference between the present report and that of the 6th February, arising out of the expenditures being bottomed in the one as estimates, and the other as the actual sums appropriated for the service of the present year; and in the estimate of receipts for land during the year 1821, the Committee have, in their present report, assumed only one half the amount of their former, which was taken from the estimate of the Treasury. The Committee do not pretend to much personal knowledge on the subject, but, from conversation with well informed gentlemen from the west and south, and a correspondence with the Secretary of the Treasury, they were induced to believe that it would be unsafe to rely on a larger sum than eight hundred thousand dollars to be received for land during the present year. The house will also perceive a difference in the available fund arising from the default of the bank of Vincennes.

Retrenchments in the Public Expenditures.

The deductions made from the estimates of the several departments for 1820, amounted to the sum of dols. 2,130,000

Those for 1821, amounted to

Civil	116,508	
Military	1,481,064	
Naval, including dols. 500,000 from gradual increase.....	719,583	
		2,317,155

Total amount of retrenchments in the annual public expenditures during the sixteenth congress dols. 4,447,155

It will be perceived, by the preceding view, that the expenditures for the present year are less than fifteen and a half millions. The Committee are of opinion that those of the next year will not exceed fifteen millions, for, during that year, the whole effect of the reduction of the army will be felt; that reduction has reduced the expense of the present year 561,000 dollars, and will reduce that of the next nearly one million. The revolutionary pensioners will cost in future 200,000 dollars less than the sum appropriated for the present year. In fine, the Committee are of opinion that the receipts will (if no unforeseen change should happen), greatly exceed the annual expenditures.

All which the Committee respectfully submit.

President's Message, 5 December 1821.

"In conducting the fiscal operations of the year, it has been found necessary to carry into full effect the act of the last session of Congress authorizing a loan of five millions of dollars. This sum has been raised at an average premium of five dollars fifty-nine hundredths per cent. upon stock, bearing an interest at the rate of five per cent. per annum, redeemable at the option of the Government after the 1st day of January, 1835.

"There has been issued, under the provisions of this act, four millions seven hundred and thirty-five thousand two hundred and ninety-six dollars, thirty cents, of five per cent. stock; and there has been, or will be, redeemed during the year, three millions one hundred and ninety-seven thousand thirty dollars, seventy-one cents, of Louisiana six per cent. and deferred stock, and Mississippi stock. There has, therefore, been an actual increase of the public debt, contracted during the year, of one million five hundred and thirty-eight thousand two hundred and sixty-six dollars, sixty-nine cents.

"The receipts into the treasury from the 1st of January to the 30th of September last, have amounted to sixteen millions two hundred and nineteen thousand one hundred and ninety-seven dollars, seventy cents, which, with the balance of one million one hundred and ninety-eight thousand four hundred and sixty-one dollars, twenty-one cents, in the Treasury on the former day, make the aggregate sum of seventeen millions four hundred and seventeen thousand six hundred and fifty-eight dollars, ninety-one cents.

"The payments from the Treasury during the same period have amounted to fifteen millions six hundred and forty-five thousand two hundred and eighty-eight dollars, forty-seven cents; leaving in the Treasury on the last mentioned day, the sum of one million seven hundred and sixty-two thousand three hundred and seventy dollars, forty-four cents. It is estimated that the receipts of the fourth quarter of the year will exceed the demands which will be made on the Treasury during the same period; and that the amount in the Treasury on the 30th of September last, will be increased on the first day of January next.

"At the close of the last session it was anticipated, that the progressive diminution of the public revenue in 1819 and 1820, which had been the result of the languid state of our foreign commerce in those years, had, in the latter year, reached its extreme point of depression. It has, however, been ascertained, that that point was reached only at the termination of the first quarter of the present year. From that time until the 30th of September last, the duties secured have exceeded those of the corresponding quarters of the last year, one million one hundred and seventy-two thousand dollars; whilst the amount of debentures issued during the three first quarters of this year, is nine hundred and fifty-two thousand dollars less than that of the same quarters of the last year.

"There are just grounds to believe that the improvement which has occurred in the revenue, during the last mentioned period, will not only be maintained, but that it will progressively increase through the next and several succeeding years, so as to realize the results which were presented upon that subject, by the official reports of the Treasury, at the commencement of the last session of Congress.

"Under the influence of the most unfavorable circumstances, the revenue for the next and subsequent years, to the year 1825, will [NOT] exceed the demands at present authorized by law.

"It may fairly be presumed that, under the protection given to domestic manufactures by the existing laws, we shall become, at no distant period,

a manufacturing country, on an extensive scale. Possessing, as we do, the raw material in such vast amount, with a capacity to augment them to an indefinite extent; raising within the country aliment of every kind to an amount far exceeding the demand for home consumption, even in the most unfavourable years, and to be obtained always at a very moderate price; skilled also as our people are in the mechanical arts, and in every improvement calculated to lessen the demand for and the price of labour, it is manifest that their success in every branch of domestic industry may and will be carried, under the encouragement given by the present duties, to an extent to meet any demand which, under a fair competition, may be made on it.

“A considerable increase of domestic manufactures, by diminishing the importation of foreign, will probably tend to lessen the amount of the public revenue. As, however, a large proportion of the revenue, which is derived from duties, is raised from other articles than manufactures, the demand for which will increase with our population, it is believed that a fund will still be raised from that source, adequate to the greater part of the national expenditures, especially as those expenditures, should we continue to be blessed with peace, will be diminished by the completion of the fortifications, dock-yards, and other public works; by the augmentation of the navy to the point to which it is proposed to carry it, and by the payment of the public debt, including pensions for military services.

“It cannot be doubted, that the more complete our internal resources, and the less dependent we are on foreign powers for every national, as well as domestic purpose, the greater and more stable will be the public felicity. By the increase of domestic manufactures will the demand for the rude materials at home be increased, and thus will the dependence of the several parts of our Union on each other, and the strength of the Union itself, be proportionably augmented. In this process, which is very desirable, and inevitable under the existing duties, the resources which obviously present themselves to supply a deficiency in the revenue, should it occur, are the interests which may derive the principal benefit from the change. If domestic manufactures are raised by duties on foreign, the deficiency in the fund necessary for public purposes should be supplied by duties on the former. At the last session, it seemed doubtful whether the revenue derived from the present sources would be adequate to all the great purposes of our union, including the construction of our fortifications, the augmentation of our navy, and the protection of our commerce against the dangers to which it is exposed. Had the deficiency been such as to subject us to the necessity either to abandon those measures of defence, or to resort to other means for adequate funds, the course presented to the adoption of a virtuous and enlightened people appeared to be a plain one. It must be gratifying to all to know that this necessity does not exist. Nothing, however, in contemplation of such important objects, which can be easily provided for, should be left to hazard. It is thought that the revenue may receive an augmentation from the existing sources, and in a manner to aid our manufactures, without hastening prematurely the result which has been suggested. It is believed that a moderate additional duty on certain articles would have that effect, without being liable to any serious objection.”

ANNUAL TREASURY REPORT.

Treasury Department, Dec. 10, 1821.

In obedience to the directions of the 'Act supplementary to the Act to establish the Treasury Department,' the Secretary of the Treasury respectfully submits the following Report :

FIRST. OF THE REVENUE.

The nett Revenue arising from imports and tonnage, internal duties, direct tax, public lands, postage, and other incidental receipts, during the year 1818, amounted to 25,395,200 dollars 65 cents. viz. Customs 21,828,451 dollars 48 cents; arrears of internal duties 947,946 dollars 33 cents; arrears of direct tax 263,926 dollars 1 cent; public lands, exclusive of Mississippi stock 2,464,527 dollars 90 cents; dividend on stock in the Bank of the United States 525,000 dollars; postage and other incidental receipts 65,348 dollars 93 cents.

That which accrued from the same sources, during the year 1819, amounted to 23,435,700 dollars 69 cents. viz. Customs, 17,116,702 dollars 96 cents; arrears of internal duties, 227,444 dollars 1 cent.; arrears of direct tax, 80,850 dollars 61 cents.; public lands, exclusive of Mississippi Stock, 3,274,422 dollars 78 cents.; first instalment from the Bank of the United States and dividend on stock in that Bank, 675,000 dollars; postage and other incidental receipts, 61,280 dollars 33 cents.

And that which accrued from the same sources, during the year 1820, amounted to 15,284,546 dollars 29 cents.

It is estimated that the gross amount of duties on merchandize and tonnage, which accrued during the three first quarters of the present year, exceeds 14,088,000 dollars.

The payments into the Treasury to the 30th Sept. last, have amounted to 16,319,197 dollars 70 cents, viz.: Customs, 10,068,394 dollars 85 cents; public lands, 940,980 dollars 35 cents; arrears of internal duties and direct tax, 69,867 dollars 26 cents; bank dividends, 105,000 dollars; incidental receipts, 21,581 dollars 51 cents; repayments, 13,373 dollars 73 cents; loan, 5,000,000 dollars. And the payments into the Treasury during the fourth quarter, are estimated at 3,595,278 dol. 14 cents, viz.: Customs, 3,000,000 dol.; public lands, 360,000 d.; monies recovered out of advances made in the war department before July 1, 1815, 120,000 dol.; balances of military appropriations carried to the account of the Surplus Fund, 90,278 d. 14 c.; direct tax and internal duties, and incidental receipts, 25,000 d.; making the total amount estimated to be received into the Treasury, during the year 1821, 19,814,475 d. 84 c.; which, added to the balance in the Treasury on the 1st of January last, of 1,198,461 dollars, 21 c. make the aggregate amount of \$1,012,937 dollars, 5 cents.

The application of this sum for the year 1821 is estimated as follows: the payments to the 30th of September have amounted to 15,655,288 dollars, 47 cents. viz. civil, diplomatic, and miscellaneous, 1,772,717 dollars, 30 cents.; military service, including fortifications, ordnance, Indian department, revolutionary and military pensions, arming the militia, and arrearages, prior to the 1st of January, 1817, 4,872,865 dollars 78 cents; naval service, including the gradual increase of the navy, 2,603,592 dollars 75 cents; public debt, including 591,611 dollars 30 cents of Mississippi stock, 6,406,112 dollars 64 cents. During the fourth quarter, it is estimated that the payments will amount to 3,580,000 dollars, viz. civil, diplomatic, and miscellaneous,

690,000 dollars; military service, 290,000 dollars; naval service, 700,000 dollars; public debt, 1,900,000 dollars. Making the aggregate amount of 19,235,288 dollars 47 cents, which being deducted from the above sum of 21,012,937 dollars 5 cents; will leave in the Treasury on the 1st day of January next, a balance estimated at 1,777,648 dollars 58 cents.

But of the balances of appropriation for the service of the year 1821, necessary to effect the object of those appropriations, exclusive of balances, which will not be required, and which have been deducted from the estimates of the year 1822, or will be carried to the account of the surplus fund, there remains the sum of 2,268,611 dollars 28 cents; which is an existing charge upon the revenue of 1821, and exceeds the balance estimated to be in the Treasury on the 1st day of January next, by 490,962 dollars 70 cents.

SECOND. OF THE PUBLIC DEBT.

The funded debt which was contracted before the year 1812, and which was unredeemed on the 30th of September, 1820, amounted to 20,570,627 dollars 12 cents; and that contracted subsequently to the 1st of January, 1812, and unredeemed on the 30th of September, 1820, amounted to 70,654,933 dollars 65 cents, making the aggregate amount of 91,225,560 dollars 77 cents. Which sum agrees with the amount stated in the last annual Report as unredeemed on the 1st of October, 1820, excepting the sum of 38 dollars 66 cents, which was then short estimated, and which has been since corrected by actual settlement.

In the fourth quarter of the year, there was added to the above, the sum of 457,747 dollars 95 cents., viz. in 6 and 7 per cent. Stocks, for Treasury notes, brought into the Treasury and cancelled, 3,280 dollars 29 cents, in 5 per cent. Stock, under the act of May 15, 1820, 454,467 dollars 66 cents; making 91,683,308 dollars 72 cents; and there was paid in the fourth quarter the sum of 388,892 dollars 21 cents, viz. deferred stock reimbursed, 249,401 dollars 58 cents; payments on account of the Louisiana Stock 139,490 d. 63 c.; making the public debt unredeemed on the 1st Jan. 1821, 91,294,416 d. 51 c.; from the 1st January to the 30th September inclusive, there has been added the sum of 4,739,776 dollars 38 cents., namely: three per cent. Stock for interest on registered debt, 26 dollars 1 cent.; treasury note, six and seven per cent. Stock, 4,454 dollars 7 cents; loan authorized by Act of the 3d of March, 1821, 4,735,296 dollars 30 cents., making 96,034,192 dollars 89 cents.; from which is to be deducted the sum of 2,348,097 dol. 15 cts., viz. reimbursement of deferred Stock during the same period 276,737 d. 15 cts.; payments on account of Louisiana Stock, 2,071,360 dollars; making the public debt which was unredeemed on the 1st Oct. 1821, 93,686,095 dollars, 74 cents.; to which will be added in the fourth quarter Treasury note six per cent. stock issued 349 40 making 93,686,486 dollars 14 cents. from which will be deducted in the fourth quarter, the sum of 262,880 dollars 41 cents. viz. reimbursement of deferred stock, 257,322 dol. 26 c.; residue of Louisiana Stock 5,558 d., 15 c., making the amount of public debt unredeemed on the 1st of January, 1822, as estimated, 93,423,605 dollars 73 cents; the Treasury notes yet outstanding are estimated at 28,495 d; the awards made by the Commissions appointed under the several Acts of Congress, for the indemnification of certain claimants of public lands in the Mississippi territory, amount to 4,282,151 doll. 12 cents, of which there have been received at the General Land Office in stock, 2,442,535 dollars 39 cents; and there have been paid at the Treasury, 1,734,490 dollars 85 cents; making together 4,177,026 dollars 24 cents: and leaving outstanding on the 30th September, 1821, 105,124 dollars 88 cents.

THIRD. OF THE ESTIMATES OF THE PUBLIC REVENUE AND EXPENDITURE
FOR THE YEAR 1822.

The diminution of the Revenue from imports and tonnage, which occurred in 1819, advanced with progressive force through 1820, and reached its lowest point of depression in the first quarter of the present year. The duties secured in that quarter were 727,000 dollars less than those of the corresponding quarter of 1820; whilst the amount secured in the second and third quarters exceeded that of the same period of the preceding year by 1,172,000 dollars; thus presenting on the 30th of September last, an aggregate excess of 445,000 dollars for the three first quarters of 1821, which sum, there is just reason to believe will be considerably augmented at the end of the year.

Whilst the duties have progressively increased, the debentures chargeable upon them have considerably diminished; the amount of debentures issued from the 1st January to the 30th September last, being 952,000 dollars less than was issued during the same period of the preceding year.

The same causes which, in 1819 and 20, effected so great a reduction of the revenue arising from imports and tonnage, were felt, in an equal degree, in the sale of the public lands.

Those who, from an anticipation of their resources previously to those years, were unable to purchase foreign merchandize, were equally incapable of purchasing public lands, or of discharging debts contracted with the Government by purchases antecedently made.

In the annual Report of the Treasury at the commencement of the last Session of Congress, the receipts from the public lands for the year 1821 were estimated at 1,600,000, if no change should be made by law affecting the obligations which the purchasers were then under to be punctual in their payments. But at the close of that Session, an Act was passed for the relief of the purchasers of public lands, which so far impaired that obligation, as to induce the Committee of Ways and Means to estimate the proceeds of that source of revenue at only 800,000 dollars.

It has been shewn, however, that the receipts to the 30th Sept. last, have exceeded 940,000 dollars; and those of the whole year are now estimated at only 1,300,000 dollars.

This result in relation to the public lands, and the improvement which has taken place in the Revenue arising from imports and tonnage, indicate a favourable change in the condition of the nation; from which a progressive increase of the public Revenue may be confidently anticipated.

Independently, however, of any such increase, the facts disclosed by the fiscal operations of the year, some of which have been enumerated, warrant the conclusion that the receipts of the year 1822 may be estimated at 16,110,000 dollars, viz.: customs, 14,000,000 dollars; public lands, 1,600,000 dollars; Bank dividends, 350,000; arrears of direct tax and internal duties, 75,000; monies recovered out of advances made in the war department, before the 1st July, 1815, 60,000 dollars; incidental receipts, 25,000 dollars.

The expenditures of the year 1822 are estimated at 14,947,661 dollars 80 cents. viz.: civil, diplomatic, and miscellaneous, 1,664,297 dollars; public debt, 5,722,857 dollars, 10 cents; military services, including fortifications, ordnance, India department, revolutionary and military pensions, arming the militia, and arrearages prior to the 1st of Jan. 1817, 5,108,097 dollars, 52 cents; naval services, including the gradual increase of the navy, 2,452,410 dollars, 27 cents.

The receipts of the year will, therefore, exceed the estimated expenditure by 1,162,338 dollars, 20 cents.

Which, after discharging the difference between the balance in the Treasury on the 1st Jan. 1822, and the balance of appropriations chargeable upon it will leave in the Treasury, on the 1st of Jan. 1823, a balance estimated at 671,375 dollars 50 cents.

It is, however, proper to state, that, in the estimate for the naval service only, 200,000 dollars of the annual appropriation of 500,000 dollars for the gradual increase of the navy, is included; but that, of the amount estimated by the Secretary of War, a sum larger than the balance of that appropriation is for arrearages for revolutionary pensions, and the Indian department, which will not be embraced in the estimates for the year 1823.

The expenditure of the two succeeding years, it is believed, will not exceed that of the year 1822, unless a further expenditure shall, in the intermediate time, be authorized by law. But in the expenditure of the year 1822, and also of 1823 and 1824, no part of the annual appropriation of 10,000,000 dollars, constituting the sinking fund, is comprehended, except what is necessary to discharge the interest of the public debt, and the re-imbursment of the 6 per cent. deferred stock. On the 1st of January, 1825, and the three succeeding years, the debt contracted during the years 1812, 1813, 1814 and 1815, becomes redeemable at the will of the Government. These sums greatly exceed the amount of the sinking fund, applicable in those years to the redemption of the public debt. As the current value of the 5 per cent. stock, created during the last and present years, exceeds that of the 7 per cent. stock, and of the 6 per cent. stock of 1812 and 1813, it is presumed that the holders of those stocks will be disposed to exchange them for an equal amount of 5 per cent. stock, redeemable at such periods as to give full operation to the sinking fund, as at present constituted. According to this view of the subject 24,000,000 dollars of the Stocks which will be redeemable in the years 1825 and 1826, may be exchanged for five per cent. stock, redeemable one third on the 1st January, 1831, and one third on the same days of 1832, and 1833. This exchange of six per cent. stock, if effected on the 1st Jan. 1823, will produce an annual reduction of the interest of the public debt, from that time to the first mentioned period, of 240,000 dollars, and an aggregate saving through the whole period of 2,160,000 dollars. If the whole of the seven per cent. stock should be exchanged, the saving will be considerably increased.

If such an exchange of stock should be deemed inexpedient or impracticable, a saving of equal, if not greater extent, may be effected in the years 1825, 1826, 1827, and 1828, by borrowing at the rate of five per cent., in the first and each successive year, a sum equal to the difference between the amount redeemable, and that portion of the sinking fund, applicable to its redemption; The five per cent. stock, so created, to be redeemable at such periods as to give full operation to the sinking fund, until the whole of the public debt shall be redeemed. If the five per cent. stock shall, during those years, be above par, a saving beyond that proposed to be effected by the exchange of stock in 1822, will be secured, to the extent of that difference, by the latter process.

But, it is possible, that the progressive increase of the revenue, which has been anticipated, and which is necessary to the full operation of the sinking fund, may not be realised. In that event, the public expenditure, authorised by law, may, after the 1st of January, 1825, exceed the public revenue.

The remedy in such case must be ; first, an increase of the public revenue, by an addition to the existing impositions ; or, second, a reduction of the sinking fund.

First. A general revision and correction of the duties imposed upon foreign merchandise seem to be required. Many of the articles which pay but 15 per cent. *ad valorem*, ought, in justice, as well as policy, to be placed at twenty-five per cent. which is the duty paid upon the principal articles of woollen and cotton manufactures. The same observation is applicable to some of the articles which pay 20 per cent. *ad valorem*. A correction of the existing duties, with a view to an increase of the public revenue, could hardly fail to effect that object to the extent of nearly 1,000,000 dol. annually. It is highly probable, however, that an increase of duty on some of those articles might eventually cause a reduction of the revenue ; but this can only take place where similar articles are manufactured in the country. In that event, domestic manufactures will have been fostered, and the general ability of the community to contribute to the public exigencies, will have been proportionably increased.

Second. If it should be deemed expedient to reduce the sinking fund, in preference to the imposition of additional duties, it may be satisfactory to know, that an annual appropriation for that object of 8,000,000 dollars, commencing on the 1st January, 1825, will extinguish the whole of the public debt, exclusive of the 3 per cent. stock, in the year 1839. Should the sinking fund be reduced to 8,000,000 dollars, an exchange of 36,000,000 dollars of six per cent. for five per cent. stock may be effected in the course of the year 1823, if the present price of the latter stock should continue, without diminishing, in any degree, the operation of that Fund, in the redemption of the public debt. Such an exchange would reduce the interest annually 360,000 dollars.

The Loan of 5,000,000 dollars, which was authorised by the Act of 3d March, 1821, has been obtained at an average premium of nearly 5,59 per cent. ; upon the issue of the 5 per cent. stock, redeemable at the will of the Government, after the 1st of Jan. 1835.

All which is respectfully submitted.

(Signed)

W. H. CRAWFORD.

Treasury Department, Dec. 10, 1821.

BANK OF THE UNITED STATES.

At a Meeting of the President and Directors of the Bank of the United States, July 2nd. 1821, the following report was adopted.

“ The Committee appointed on the 27th ulto. to consider the state of the Bank, and to report whether any, and if any, what dividend should be made of the profits which have accrued during the last six months, respectfully report :

“ That on examining the accounts of the bank, it appears that the amount received on account of discounts, exchange, and interest, since the 1st of January last, is 1,011,305 dollars and 14 cents. Of this sum, however, 54,739 dollars and 39 cents has been received on account of interests which had previously accrued, leaving 956,565 dollars and 75 cents as the sum

which has accrued, and been received, during the last six months. But, to give accurately the current profits of the half year, to this sum must be added, the semi-annual dividend about to be declared, which the bank is entitled to retain, on 37,513 shares of its own capital stock, which it holds as a pledge, and which have been transferred, according to the instrument of hypothecation, to the President, Directors, and Co.

"The expenses of the bank and the offices during the same period, the usual allowance for the extinguishment of the bonus, and other semi-annual appropriations, amount to the sum of 280,829 dollars 61 cents, which being deducted, will leave a balance that would authorize a dividend of two per cent. and give a surplus of 50,761 dollars and 46 cents.

"The committee are, however, decidedly of opinion, after very mature deliberation, that it is the duty of the board, and the soundest policy of the bank, to make at this particular time a smaller dividend than two per cent. The first great point in the management of the bank is to remove all doubt as to the re-establishment of the capital. It is not enough that it be made whole. The stockholders and the public must be satisfied of the fact; for otherwise the one will not hold, and the other will not acquire with confidence, and like all uncertain interests, the nature of the stock must be diminished in the estimation of both buyer and seller. The committee therefore proceed to exhibit a brief view of the situation of the bank, and their reasons for the opinion that a less dividend should now be declared than would be authorised by the net profits of the last six months, if abstractedly considered.

"The committee have had before them estimates of the losses furnished by the respective offices of the bank, except four of the western offices, brought down to the 1st ultimo. and some of them to a later date, which they have attentively examined; and where they have not been satisfied with the sufficiency of the allowances made by the offices, the committee have made additions, but in no instance have they diminished these allowances.

"These estimates are, in some instances, a little more, and in others a little less, than those which were relied upon in January last. In the aggregate they exceed the estimates then made of the losses of the same offices 25,362 dollars and 67 cents; and in this near coincidence, perhaps, is discoverable a probable proof of the fidelity and accuracy of the estimates of both periods.

"With respect to the four western offices above excepted, the Committee have thought it safest again to rely on the estimates of the cashier, Mr. Wilson, particularly referred to in the report of the Committee on the state of the bank, which was agreed to by the Board on the 23d of January last, and published in the Gazettes.

"According, then, to these premises, the estimated losses of the bank to the 1st instant, are 3,547,838 dollars and 80 cents. But although great pains have been taken to examine thoroughly, and no hesitation has been indulged in stating fully the hopes which have probably been sustained, the Committee are nevertheless of opinion that it is the duty of the Board, and the policy of the bank to ensure, if possible, by adequate sustaining means, the certainty of that result, which the estimates now acted upon render probable.

"The shares (37,513) which have been transferred to the bank, are, with very few exceptions, pledged to the bank to an amount, including interest, over and above any dividends which the bank may be able to retain, equal to the highest price which they are likely to bring, though in the estimate of losses they have been only valued at par; the excess, therefore, over par of

any price they may bring, may be made applicable to the extinguishment of the actual losses, should they be found to exceed the estimated amount.

“ There are also very considerable sums now due to the bank for interest, which has already accrued on suspended debts, other than those secured by pledges of stock. The amount now estimated to be due on debts of this description, which have been estimated as good, is upwards of 200,000 dollars, exclusive of the interest due on doubtful and bad debts, the principal part of which, as well as the interest which shall accrue on the same debts in future, may also be made applicable, in like manner, to the extinguishment of the losses, should they exceed the estimated amount; and it is the opinion of the Committee, that these resources, or the greater part of them, should be pledged, in addition to the immediate application of the past profits of the bank to the full amount of the estimates, for the extinguishment of the eventual loss.

“ The Committee are also of opinion, that several temporary charges upon the profits of the bank, which have been under a process of gradual extinguishment, by semi-annual appropriations, ought to be immediately extinguished. They therefore propose—

“ 1st. That the estimate of losses be increased to the even sum of 3,550,000 dollars, and be deducted from the actual profits of the banks which have heretofore accrued.

“ 2dly. That there be now declared a semi-annual dividend of one and one-half per cent.

“ 3dly. That the whole premium paid the government for the ten millions loan of 1820, be now extinguished; that the balance of the commission on the loan obtained by the bank in Europe in 1819, be now extinguished; and that so much of the unextinguished balance of the expenses of the commissioners for taking subscriptions to the bank, &c. as will reduce it 20,000 dollars, be now extinguished. This small balance may be extinguished in January next, and the bank will then, besides its ordinary and current expenses, be incumbered only with the payment of the interest of the loan in Europe, which will cease after July, 1822, the extinguishment of the premium on the four millions or 5 per cent. loan, the extinguishment of the bonus, and the establishment of an adequate fund to cover any losses which may be sustained on the banking-houses which have been, or may be, erected or purchased.

“ If the appropriation thus recommended be now made, the amount of profits and loss to the 1st instant, will stand as follows:

	Dollars.	Cents.
Balance to the credit of profits or loss, according to the account herewith reported	4,107,186	36
Dividends to be retained on 37,513 shares capital stock of the bank, pledged and transferred to the President, Directors, & Co. at 1½ per cent.	56,220	80
	4,163,406	86
Extinguishment of the premium on the two millions 6 per cent. loan	40,000	
Extinguishment of the balance of the commission on the loan obtained by the bank in Europe	16,000	
Extinguishment of this sum of the expenses of commissioners, &c. over and above the semi-annual allowance now made	26,974	40

2 K

Specific fund for the extinguishment of losses	3,550,000	
Dividend of $1\frac{1}{4}$ per centum on 350,000 shares	525,000	
		4,157,974 40
Balance to be carried to the credits of profit and loss		5,481 45

" 3dly. The Committee are of opinion that the sum of 3,550,000 dollars, thus appropriated for the extinguishment of losses, should be put to the credit of an account to be denominated "Contingent Fund," and be thus distinctly set apart from the current profits and losses of the bank, and that it should be declared to be appropriated inviolably, together with all the excess over the par value, which may be received on the stock pledged and transferred to the bank as before stated, and all interest due, and to grow due, on the unfunded debt, at the offices of Louisville, Lexington, and Chillicotte, and the late office of Cincinnati; and particularly that it be declared that no part of these funds shall be, on any account, or under any circumstances, diverted to any other object than the extinguishment of the losses which the bank has sustained, without the approbation of the stockholders, at a regular meeting to be called for the purpose, or at the triennial meeting, required by the charter.

4thly. The committee are of opinion that there should hereafter be a semi-annual appropriation of 15,000 dollars, in addition to the semi-annual appropriation for the extinguishment of the bonus of 45,000 dollars to extinguish the premium on the four millions 5 per cent. loan, and to provide a fund to meet any losses which may be sustained on the banking-houses built and purchased by the bank, or which it may hereafter build or purchase.

"The sums to be provided are as follows, to wit.

"The bonus (original amount) 1,500,000

"The cost of banking-houses at Philadelphia, Baltimore, Washington, Richmond, Norfolk, Fayetteville, Charleston, Savannah, New Orleans and Louisville, which are all that the bank has hitherto erected or purchased, is 775,617 dollars 13 cents.

"It will require about 10,000 dollars to finish the banking-house at Philadelphia, except one south portico, which it is not intended to finish; and it is believed, if so much be added to the foregoing sums as will make an aggregate of 900,000 dollars, it will cover all the buildings which the bank will in future probably build or purchase; say therefore..... 900,000

"Premium paid on the four millions 5 per cent. loan 205,880

2,605,880

"The bank has heretofore appropriated semi-annually, commencing in July 1817, the sum of 45,000 dollars, which if continued to the end of the charter will yield

1,665,000

"If to this be added a semi-annual appropriation of 15,000 dollars, and it be continued to the end of the charter, it will yield.....

420,000

2,085,000

“ Which it will be perceived, will extinguish the bonus, the premium on the four millions 5 per cent. loan, and upwards of 40 per cent. of the cost of the banking-houses heretofore erected, or which will probably be erected hereafter.

“ The object of the committee in going so fully into details was not only to lay them before the board for its information and consideration, but also to put them in a shape which would be intelligible to the stockholders and the public, should it be the pleasure of the board to give publicity to the report, and thereby lay before them the means of judging of the situation and circumstances of the institution.

“ To carry these views into effect, the committee recommend to the board the adoption of the following resolutions.

1st. Resolved. That 3,550,000 dollars of the unapplied profits of the bank be appropriated and set apart as a fund to extinguish the losses which the bank may have sustained, and that it be put to the credit of an account to be denominated ‘contingent fund,’ and thus be separated from the accounts of profit and loss.

2dly. That the interests due and to grow due on suspended debts at the offices of Louisville, Lexington, and Chillicotte, and the late office of Cincinnati, be also set apart for the extinguishment of losses which the bank may have sustained.

3dly. That these several funds be and they are hereby inviolably pledged for the object declared, and that they shall not be diverted to any other object, without the approbation of the stockholders, at a general meeting, or at the triennial meeting, required by the charter.

4thly. That there be now declared a semi-annual dividend of one and one half per cent. on the capital stock of the bank.

5thly. That 40,000 dollars be appropriated for the extinguishment of the premium paid to the government on the two millions six per cent. loan; 16,000 dollars for the extinguishment of the commission on the loan obtained by the bank in Europe; 26,974 40 for the extinguishment of so much of the expenses of commissioners, &c.

6thly. That in addition to the semi-annual appropriation heretofore made for the extinguishment of the bonus, there be a semi-annual appropriation of 15,000 dollars for the purpose, with the surplus of the appropriation of the bonus, of extinguishing the premium paid on the four millions 5 per cent. loan, and extinguishing in part the cost of banking-houses built, or to be built and purchased by the bank.

7thly. That this report be published in the National Intelligencer and the Gazettes in the city of Philadelphia, in which the bank is accustomed to publish.

(Signed)

L. CHEVES, President.

Attest. Thos. Wilson, Cashier.

DOCUMENTS.

BRITISH EMPIRE.

PUBLIC INCOME.—YEAR ENDED 5TH JANUARY, 1822.

	NET PRODUCE.			Rate per Cent for which the Net produce was collected.		
	£	s.	d.	£	s.	d.
<i>Ordinary Revenues.</i>						
Customs, including annual duties	11,475,259	2	8½	13	7	7
Excise, including ditto	28,941,629	1	1½	4	19	8
Stamps	6,853,986	12	2½	3	8	3
Land and Assessed Taxes	8,192,801	1	10	5	2	2
Post Office	1,621,326	2	—½	44	5	9
One Shilling and Sixpence duty, and duty on pensions and salaries	81,706	—	3½	2	13	7
Hackney Coaches	22,562	5	11	18	10	3
Hawkers and Pedlars	25,920	10	3	22	12	2
Poundage Fees (Ireland)	4,269	13	11½	—	—	—
Pells Fees (ditto)	853	18	5½	—	—	—
Casualties (ditto)	3,815	15	9½	—	—	—
Treasury & Hospital fees (ditto)	985	4	4½	—	—	—
Small Branches of the King's Hereditary Revenue	136,077	4	1	4	6	2
Total of Ordinary Revenues	57,361,192	13	2	7	9	7
<i>Other Resources.</i>						
Property Tax, (Arrears)	37,836	17	9½			
Lottery	219,139	16	0			
Unclaimed Dividends, &c.	83,910	13	3			
Issue of Exchequer Bills for Public Works, employment of the Poor, &c. }	201,701	10	6½			
Surplus fees of regulated Public Offices	63,000	14	4½			
Interest on Contracts for the redemption of Land Tax }	44	—	1½			
Other monies paid to the Public	142,028	16	11			
Total exclusive of Loans	58,108,855	2	2½			
Loans paid into the Exchequer	13,828,783	15	1 (*)			
Total public Income including Loans	71,937,638	17	3½			
* Viz. On Contributions to Annuities per Act. 1 Geo. 4, c. 17						
From Commissioners for reduction of National Debt per Act. 1.				1,030,763	15	1
Geo. 4, c. 22				5,600,000		
From ditto per Act. 1 & 2 Geo. 4, c. 70				6,400,000		
For Great Britain				13,030,763	15	1
And for Ireland. On Account of sinking fund Loan Act. 1 & 2 Geo. 4, c. 70				336,461	10	9½
From the Bank of Ireland being an increase on their capital by Act. 1 & 2, c. 72 (£500,000 Irish Currency)				461,538	9	2½
				13,898,763	15	1

PUBLIC EXPENDITURE FOR THE YEAR ENDING 31st OF JANUARY, 1892.*Charges on the Consolidated Fund.*

For Interest, &c. on the Permanent Debt of the United Kingdom, unredeemed; including annuities for lives and terms of year (a)	£	s.	d.
	29,313,255	12	3½
For Interest, &c. on Imperial Loans, including annuities	149,887	—	11
For Interest on Portuguese Loan	6,019	2	2½
	29,469,161	15	5
Reduction of the National debt (b) 1,062,445	5	6½	
The usual grant (42 Geo. 111. c. 31) 200,000	—	—	
Annuities for terms of years and lives expired (c)	167,978	7	—½
On Lives unclaimed, 5 Jan. 1821	34,402	14	3
Per Centage on Loans from 1813 to 1821, both inclusive, (per Act. 53. Geo. 3 c. 35.)	3,992,778	13	11
Annual appropriation for the redemption of £12,000,000 part of £14,200,000 Loan 1807. (47 Geo. 111. c. 55.)	626,255	10	4
Interest on Capitals transferred for Life annuities (d)	182,388	10	10
Long Annuities transferred for do.	8,668	10	—
Interest on Debt redeemed . . . (e)	3,536,830	10	8½
Ditto on Imperial Debt, ditto . .	75,191	19	1
Ditto on Debt of Portugal, ditto	20,846	11	3
Do. on outstanding Exchequer Bills	336,250	—	—
Interest at 1 per Cent. on part of Capitals created since 5 Jan. 1793 (f)	6,968,883	17	—½
Returned from account of Life Annuities, the nominees having died prior to their being set apart for payment	7,038	5	6
	17,219,956	15	6½
Applied towards the redemption of the debt created in respect of £2,500,000 borrowed for the East India Company, in 1812, the amount paid by the Company into the Bank, (Act. 52. Geo. 111. c. 135)	163,739	2	6
	(g) 17,383,695	18	—½
	46,662,657	13	5½
Charges of management	277,314	5	4½
Interest on Exchequer Bills and Irish Treasury Bills . . .	2,219,602	5	—
Carried forward	49,349,774	3	10

PUBLIC EXPENDITURE FOR THE YEAR :

	Brought forward...	£49,349,774	3	10
Civil List England and Ireland..	(h) 1,064,877	6	1½	
Courts of Justice in England....	(i) 69,444	18	11½	
Mint	14,738	5	4	
Allowances to the Royal Family, pensions, &c.	439,229	14	—½	
Salaries, &c. allowances	60,168	7	7	
Bounties	14,278	—	—	
Miscellaneous	203,864	14	6	
Permanent Charges in Ireland ..	402,339	7	7	
				2,268,940 14 1½
Total charge on the Consolidated Fund....		51,618,714	17	11½
Civil Government of Scotland		133,077	15	5
Bounties for fisheries, Manufactures, Corn, &c.		392,996	15	2½
Pensions on the Hereditary Revenue		27,700	—	—
Militia and Deserters Warrants, &c.		56,176	19	4
The NAVY. Wages	2,304,000	—	—	
General Services ...	2,789,220	3	—	
Victualling De- partment	850,659	12	4½	
				5,943,879 15 4½
Ordnance		1,337,923	4	2½
The ARMY. Ordinary Services..	7,854,114	14	2½	
Extraordinary ditto..	1,079,090	17	10½	
				8,933,205 12 1
Issues from appropriated Funds, in Ireland.....		48,038	11	1½
MISCELLANEOUS SERVICES. At home.	3,567,482	2	9½	
Abroad..	302,560	10	9	
				3,870,042 13 6½
				72,361,756 4 2½
Deduct sinking fund on Loan to the East India Company		163,739	2	6
Total Expenditure (l) ..	£72,198,017	1	7½	
(a) Permanent Funded Debt of Great Britain		26,910,414	9	8½
Interest, annuities, &c. on ditto in Ireland		1,023,079	10	11½
Annuities for Lives or terms of years		1,379,761	17	8
				29,313,255 12 3½
(b) Annual Issue in Great Britain, 26 Geo. III. c. 31		1,000,000		
Ditto in Ireland	37	62,445	5	6½
				1,062,445 5 6½
(c) Exchequer Annuities, for 99 and 96 years, expired 1792, 26 Geo. III. c. 31.		54,860	14	6
Short Annuities 1777 expired 1787, same act		25,000	—	—
Annuities on Lives expired prior to 5 July, 1802, ditto		21,481	6	1
Those expiring after 5 July, 1802, are not to be issued to the Commissioners.				
Expired Annuities in Ireland, 37 Geo. III. c. 27		66,616	6	5½
				167,978 7 —½

ENDING 5TH OF JANUARY, 1822.

(d) At 3 per Cent.	-	-	-	-	-	-	-	-	-	£175,808	16	10
4 " "	-	-	-	-	-	-	-	-	-	1,793	7	6
5 " "	-	-	-	-	-	-	-	-	-	4,784	6	6
										<u>182,386</u>	<u>10</u>	<u>10</u>
(e) At 3 per Cent.	-	-	-	-	-	-	-	-	-	3,116,663	6	3
3½ " "	-	-	-	-	-	-	-	-	-	160,009	10	
5 " "	-	-	-	-	-	-	-	-	-	175		
										<u>3,276,846</u>	<u>16</u>	<u>3</u>
In Ireland } 3½ per Cent.	-	-	-	-	-	-	-	-	-	253,430	3	8½
4 " "	-	-	-	-	-	-	-	-	-	6,333	10	9½
										<u>259,983</u>	<u>14</u>	<u>5½</u>
										<u>3,536,830</u>	<u>10</u>	<u>8½</u>
(f) From 1793 to 1815, both inclusive, 32 Geo. III. c. 55. (Great Britain)										6,640,290	2	8
From 1797, per 37 Geo. III. c. 27, one quarter's per Centage on Loan 1821, included, (Ireland)										261,970	14	4½
On Imperial Annuities 1797, 37 Geo. III. c. 59										36,693		
Annual appropriation towards the redemption of Capital created by 600,000, part of Loan, 1809, for Portugal, 49 Geo. III. c. 71.										30,000		
										<u>6,968,883</u>	<u>17</u>	<u>0½</u>
(g) Applied to the purchase of Stock in Great Britain	-	-	-	-	-	-	-	-	-	4,324,574	4	8
Ditto Ditto Ditto Ireland	-	-	-	-	-	-	-	-	-	492,804	10	¾
Towards the Sinking Fund Loan, 1 Geo. IV. c. 22	-	-	-	-	-	-	-	-	-	5,600,000		
" " " " " 1 & 2 Geo. IV c 70	-	-	-	-	-	-	-	-	-	6,400,000		
" " " " " Ireland	-	-	-	-	-	-	-	-	-	174,461	10	10
For the payment of Life Annuities, 48 Geo. III. c 142	-	-	-	-	-	-	-	-	-	391,855	12	6
										<u>17,383,695</u>	<u>18</u>	<u>0½</u>
(h) For the support of the King's Household in Great Britain	-	-	-	-	-	-	-	-	-	850,000		
On Account of the Charge of the Civil List in Ireland	-	-	-	-	-	-	-	-	-	214,877	6	1½
										<u>1,064,877</u>	<u>6</u>	<u>1½</u>
(i) Judges of England and Wales	-	-	-	-	-	-	-	-	-	29,587	4	2
Police Officers	-	-	-	-	-	-	-	-	-	32,857	14	9½
Sheriffs of England and Wales	-	-	-	-	-	-	-	-	-	4,000		
Clerk of the Hanaper in the Court of Chancery	-	-	-	-	-	-	-	-	-	3,000		
										<u>69,444</u>	<u>18</u>	<u>11½</u>
(k) Including 115,753 0 2 for the Russian Dutch Loan.												
(l) Including £320,475 11 4½ for interest, Management, and Sinking Fund on Imperial and Portuguese Loans.												

GREAT BRITAIN.				
ANNUITIES FOR LIVES OR TERMS OF YEARS.				
4 & 5 and 5 & 6 Will. & Mary..	-	-	-	-
5 & 6 - - ditto....	-	-	-	-
20 Geo. II - - 1745....	-	-	-	-
21 ditto - - 1746....	-	-	-	-
32 ditto - - 1757....	-	-	-	-
6 George III - - 1766....	-	-	-	-
18 ditto - - 1778....	-	-	-	-
19 ditto - - 1779....	-	-	-	-
29 ditto - - 1789....	-	-	-	-
<i>At £3. per Cent. per Annum.</i>				
Bank of England annuities, }				
2 & 3 Geo. I & II, 17, 19, }				14,68

16,649,514	1	2
410,964	19	6
17,060,479	—	8
30,710	9	6
17,029,768	11	2
46,684,730	6	5
203,641	16	7
(d) 141	2	6

DOM ON

	Total ca
	£
By sundry	31,879,60
Annual gr	-
Terminal	-
Charge of	-
	31,879,60
Deduct sto	
Commis	7,628,85
National	
	24,250,74
LOAN	
By Acts 3	7,502,63
In the han	2,632,57
Charge of	-
Amount o	4,870,06
LOANS	
By Act 49	895,52
In the han	745,05
Charge of	-
	150,46

TRACT.

TOTAL DEBT UNITED KIN	Total Capit
	£
Bank of England and	
South Sea old and	871,952,738
Consolidated Annu	
Reduced ditto	
Ireland	31,879,602 -
EMPEROR OF	
Consolidated Annu	7,502,633
PORTUG	
Reduced Annuities	895,522
	912,230,495 1
In the names of the	
ers of the Nation	110,551,213
	801,679,282

OM ON

~~XXXXXXXXXX~~

Total ca
£
31,879,60
-
-
-
31,879,60
7,628,85
24,250,74
7,502,63
2,632,57
-
-
4,870,06
895,52
745,02
-
-
150,46

REDEMPTION OF THE PUBLIC DEBT.

FACT.
Total Capit
£
71,952,738
31,879,602 -
7,502,633
895,522
12,230,495 1
10,551,213
01,679,282

An Account of the progress made in the Redemption of the Public Funded Debt

FUNDS.	CAPITALS.	Long Annuities at the Bank of England.	Transferred to or Redeemed by the Commissioners, from 1st August 1786 to 5th Jan 1822.	TOTAL SUMS Paid.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Consol. £3 per Cent. Annuities	520 168,619 7 10	- - -	193,934,232 - -	87,775,401 5
Reduced ditto ditto	407,631,452 - 1	- - -	260,101,838 - -	168,682,931 6
£3½ per Cent. Annuities	22,573,821 14 -	- - -	4,835,900 - -	4,024,620 12
Old South Sea Annuities, and }	24,065,084 13 11	- - Old	7,056,600 - -	4,852,934 14
New ditto ditto }		- - New	5,236,500 - -	3,643,451 6
£5 per Cent. A° 1751	1,219,600 - -	- - -	1,160,000 - -	818,166 13
Consol. £4 per Cent. Annuities	82,741,813 4 8	- - -	7,796,400 - -	6,586,934 8
Ditto £5 ditto ditto	141,972,037 9 7	- - -	145,500 - -	190,113 7
£5 per Cent. Ann. A° 1797 and 1802	1,015,668 12 4	- - -	- - -	- - -
£3 per Cent ditto A° 1796	1,000,000 - -	- - -	- - -	- - -
Ditto Bank Annuities	14,686,800 - -	- - -	- - -	- - -
Consolidated Long Annuities	- - -	1,359,435 18 8	- - -	- - -
£5 per Cent. Ann. formerly paid by Ireland	1,576,242 11 6	- - -	180,296, 9 4	155,334 10
			420,447,266 9 4	276,669,888 6
Consolidated 3 per Cent.	- - -	- - -	131,202 13 -	} Capitals transf. to the Commis. the Divids. on which have not been claimed for 10 years & upw. & which are subj. to the claims
Reduced ditto	- - -	- - -	45,665 13 6	
£3 per Cent. Ann. A° 1796	- - -	- - -	1,641 19 10	
Consolidated £4 per Cent.	- - -	- - -	24,307 11 6	
Navy £5 per Cent.	- - -	- - -	18,518 1 5	
£5 per Cent. Ann. 1797 and 1802	- - -	- - -	6,064 18 5	
Reduced Ann. purchased with Un- claimed Dividends	- - -	- - -	444,600 - -	
Consolidated ditto ditto	- - -	- - -	4,800 - -	
£ 1,319,351,159 13 11		1,359,435 18 8	421,124,062 7 -	
Transferred to Commissioners on ac- count of Land Tax Redeemed, at 5th January, 1822	25,819,089 - -			
	1,193,532,070 13 11			
Transferred to Commissioners for Purchase of Life Annuities, per Act 48 Geo. III.	6,366,515 - -	9,837 - -		
	1,187,165,555 13 1	1,349,598 18 8		
Redeemed by the Commissioners including Capitals, the Dividends on which have not been claimed for 10 Years and upwards	421,124,062 7 -	Unclaimed 10 Years 606 - 11		
Unredeemed DEBT of the United Kingdom, payable in Great Britain, at 5th January, 1822	£ 766 041,493 6 11	1,348,992 17 9		
Memorandum:—There was also standing in the Names of the Commission- ers on the 5th of January, 1822, on account of "The Banks for Savings" in England, exclusive of the Sums stated in the above account - - - - -			1,652,600 - - 1,779,179 - - 2,445,300 - -	Con £3 p. ct. An Red £3 p. ct. An £3½ p. ct. Ann.
			5,877,079 - - 8,213 8 10 67,780 4 7	Con. £3 p. ct. An Red. £3 p. ct. An
Ditto - - - on account of "The South Sea Guarantee Fund" - - -			75,993 13 5	

the United Kingdom, payable in Great Britain, at the 5th of January, 1822.

IMPERIAL DEBT. FUND.	CAPITALS.	Terminable and Life Annuities.	Transferred to or Redeemed by the Commissioners, to 5th Jan. 1822.	TOTAL SUMS Paid.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Serial £3 per Cent. Annuities ..	7,502,633 6 8	- - -	- - -	- - -
Redeemed by the Commissioners at 5th January, 1822	2,632,571 3 —	- - -	2,631,281 — —	1,676,343 19 6
Capital transferred to them, the Di- vidends on which have not been claimed for 10 years and upwards	- - -	- - -	1,390 3 —	
BT Unredeemed at 5th Jan. 1822	4,870,062 3 8	- - -	2,632,571 3 —	

Debt of Portugal, at 5th January, 1822.

Reduced £3 per Cent. Annuities ...	895,522 7 9	- - -	- - -	- - -
Redeemed by the Commissioners ...	743,056 — —	- - -	743,056 — —	500,636 7 2
BT Unredeemed at 5th Jan. 1822.	150,466 7 9			

unded Debt of Ireland, payable in Ireland, at 5th January, 1822, in British Currency.

		Terminable and Life Annuities.		
10s per Cent. Debentures & Stock	22,101,263 — 8	- - -	10,292,180 15 5	8,126,669 8 10
5 per Cents.	1,513,476 18 6	- - -	435,184 12 3½	385,628 16 3½
3 per Cents.	12,902,380 6 2	110,340 12 8	1,538,909 6 7½	1,362,187 1 2
	36,517,020 5 4		12,266,274 14 4	9,894,480 6 5½
Redeemed by the Commissioners.....	12,266,274 14 4			
Reduct Annuities expired	- - -	66,616 6 6		
BT Unredeemed at 5th Jan. 1822	24,250,745 11 —	43,724 6 2		
There was also standing in the Names of the Commissioners, on the 5th Jan. 1822, on account of the "Banks for Savings" in Ireland, exclusive of the sums stated in the above account	- - -	- - -	211,777 12 2	£3½ per ct. Ann.

Note.—The Unredeemed Debt of £766,041,493 6s 11d. includes £16,296,875, created by the Sinking Fund an of £12,500,000, A° 1821; and the Capital Redeemed, amounting to £420,447,266 9s 4d. above stated, includes 6,296,875 the Capital obtained for the said Loan, which Loan is in the course of payment.

Note.—The Unredeemed Debt of £24,250,745 11s. includes £596,115 7s. 8d. created by the Sinking Fund an of £500,000, part of £13,000,000, raised A° 1821; and the Capital Redeemed, amounting to £12,266,274 14s 4c. ve stated, includes £596,115 7s. 8d. the Capital obtained for the said Loan, which Loan is in the course of pay-
ment.

An Account of the progress made in the Redemption

SUMS

Annually applicable to the Redemption of the
NATIONAL DEBT.

	£	s.	d.
Annual Charge, per Act 26 Geo. III.....	1,000,000	—	—
Ditto - - - 48 ditto	200,000	—	—
Ditto - per Act 1 & 2 Geo. IV. c. 122, being £1 per cent. on } Exchequer Bills, Outstanding, at 5th January, 1821	290,000	—	—
Annuities for 99 and 96 Years, Expired A° 1792	54,880	14	6
Ditto 10 Years - - ditto 1787	25,000	—	—
Exchequer Annuities unclaimed for Three Years, at 5th January, 1822 ..	30,710	9	6
Ditto of which Nominees shall have died prior to 5th July, 1802....	21,481	6	1
Annual Interest on £407,489,170 Os. Od. Redeemed at £3 per cent. in- cluding £16,396,875 created by Sinking Fund Loan of £12,500,000 } A° 1821	12,224,675	2	—
Ditto - £4,835,000 Os. Od. - £3½ per cent.	169,256	10	—
Ditto - 7,796,400 0 0 - 4 per cent.	311,856	—	—
Ditto - 145,500 0 0 - 5 per cent.	7,275	—	—
Ditto - 180,396 9 4 - Irish £5 per cent. payable } in England	9,014	16	5½
£1 per Cent. per Annum on part of Capitals created, from 1st February, } 1793 to 1815, both inclusive	6,640,220	3	7½
Annual Interest on £6,200,229 - - - £3 per cents. transferred for the } purchase of Life Annuities	186,006	17	4½
Ditto - - on 51,634 - - - 4 per cents. ditto.....	2,065	7	2½
Ditto - - on 114,652 - - - 5 ditto ditto.....	5,732	13	—
Long Annuities transferred for - - - ditto.....	9,837	—	—
Sinking Fund borne by Consolidated Fund, on Loans raised and Bills } funded, A° 1815, 1818, and 1819	1,377,013	4	7
Annual Appropriation on £12,000,000 part of £14,300,000, Loan A° 1807	626,255	10	5
Annual Interest on £178,510 6 4 - - £3 per cents. unclaimed for } 10 years and upwards	5,355	6	2½
Ditto - - 24,307 11 6 - - 4 per cents. ditto	972	6	0½
Ditto - - 24,577 19 10 - - 5 per cents. ditto	1,228	17	11½
Long Annuities, unclaimed—ditto	606	—	11
Annual Interest on £449,400 - - - £3 per cents. purchased with un- } claimed Dividends	13,482	—	—
Chargeable on Sinking Fund :	23,212,925	4	10½
Life Annuities - - - - - £ 410,864 19 6			
Loans and Bills, funded from 1815 to 1821 (both in- } clusive) per Act 53 Geo. III. cap. 33, and subsequent } Acts	9,722,775	1	6
Part of Charge for Treasury Bills raised for Ireland } A° 1816 - - - - - } 10,142,754 17 5½	9,014	16	5½
Deduct for Sinking Fund for said Loans and Bills. ..	2,737,992	—	7½
Actual Sinking Fund of Great Britain and Ireland, } funded therein, Consolidated	7,508,162	8	0½

ANNUITIES

Fallen in since 22d June, 1802, or that will fall in hereafter.

Exchequer Annuities, 2d and 3d Anne; Expired 5th April, 1803 ..	£ 23,369	13	4
Ditto - - - - - ditto 5th Jan. 1805 ..	7,030	6	8
Ditto - - - - 4 Anne; - ditto 5th April, 1805 ..	23,254	11	6
Ditto - - - - 5 - - - ditto 5th April, 1806 ..	7,776	10	0
Ditto - - - - 6 - - - ditto 5th April, 1807 ..	4,710	10	0
Ditto - - - - - ditto 5th July, 1807 ..	10,181	0	0
Bank Short Annuities - - - ditto 5th Jan. 1808 ..	418,333	0	11
Do. Long ditto - - - which will expire 5th Jan. 1860 ..	1,359,435	18	8½
By an Act 42 Geo. III. c. 71, such Annuities as fall in after the passing of that Act, are not to be placed to the Account of the Commissioners for the Reduction of the National Debt.			

of the Funded Debt of the United Kingdom continued.

SUMS
Annually applicable to the Redemption of the
NATIONAL DEBT.

Imperial Debt at 5th January, 1822.

	£	s.	d.
£1 per Cent. per Ann. on Capitals created by Loan, 1797	36,693	—	—
Annual Interest on £2,631,281. at £3 per cent.	78,938	8	7
Ditto on £1,290. 3. Unclaimed Capital for 10 years and up- wards, at £3 per cent.	38	14	1
	£	115,670	2 8

Debt of Portugal.

Annual Appropriation for Redemption of Loan, 1809	30,000	—	—
Annual Interest on £745,056 - - - £3 per cent.	22,351	13	7
	£	52,351	13 7

*Funded Debt of Ireland, payable in Ireland at 5th January, 1822,
in British currency.*

Annual Charge, per Act 37 Geo. III.	62,445	5	7
Terminable Annuities expired	66,616	6	6
Part of per Centage on Loans & Outstanding Treasury Bills, at 5 Jan. 1822	251,418	6	8
Annual Interest on £10,292,180 15s 8d, - at £3 10s per cent. including £596,115 7s 8d, created by Sinking Fund Loan of £500,000—			
A° 1821 - - - - -	360,226	6	6½
Ditto £ 435,184 12 3¼ - - £ 4 per Cent. - - -	17,407	7	8½
Ditto 1,538,209 6 7½ - - 5 — — — - - -	76,945	9	3¼
Chargeable upon Sinking Fund:	835,059	2	3¼
Interest cancelled in Ireland, towards defraying the Charge of Treasury Bills, raised A° 1816; and Debt created in 1821, the remainder being can- celled in England - - - - -	£ 186,752	10	2½
Deduct towards Sinking Fund for D°, the re- mainder (£9,014 16s 5½d) being included under the head of "per Centage," above	25,023	5	1
	161,729	5	1½
Actual Sinking Fund of Ireland, payable in Ireland - - -	£	673,329	17 2
For so far as relates to the Office for the Reduction of the National Debt, 20th March, 1822.			

ANNUITIES, fallen in since 22d June, 1802.

Imperial Annuities for 25 Years, expired 1st May, 1819 - - -	£230,000	—	—
--	----------	---	---

EAST INDIA

Amount of the Territorial Debts, owing by the East India Company in each Year, from 1813 to 1820 inclusive; and according to the

	BENGAL. a' 2s. the Ct. Rs.	MADRAS. a' 8s. the Pagoda.	BOMBAY. a' 2s. 3d. the Bombay Rs.	Total.
1813	£	£.	£.	£.
Debts at 6 per cent.	23,809,141	1,561,333	79,524	25,449,997
Ditto 8 ditto	522,070	259,528	- - -	781,598
Total Debts bearing interest .	24,331,211	1,820,860	79,524	26,231,595
Debts not bearing interest . .	2,899,901	501,352	402,845	3,734,098
Total Debts in India . .	27,161,112	2,322,212	482,369	29,965,693
1814.				
Debts at 6 per cent.	638	- - -	- - -	638
Ditto 6 ditto	24,018,846	1,683,427	349,794	26,052,067
Ditto 8 ditto	536,616	239,093	- - -	775,709
Total Debts bearing interest .	24,556,100	1,922,520	349,794	26,828,414
Debts not bearing interest . .	3,091,374	433,045	313,783	3,838,152
Total Debts in India . .	27,647,474	2,355,565	663,527	30,666,566
1815.				
Debts at 6 per cent.	25,551,183	1,815,931	264,764	27,631,878
Ditto 8 ditto	- - -	17,600	- - -	17,600
Total Debts bearing interest .	25,551,183	1,833,531	264,764	27,669,478
Debts not bearing interest . .	3,426,245	833,924	349,460	4,609,629
Total debts in India . .	28,977,428	2,667,455	634,224	32,279,107
1816.				
Debts at 6 per cent.	25,631,849	2,082,266	361,221	28,025,336
Ditto 8 ditto	- - -	17,600	- - -	17,600
Total Debts bearing interest .	25,631,849	2,049,866	361,221	28,042,936
Debts not bearing interest . .	3,836,060	743,566	444,998	5,025,624
Total Debts in India . .	29,467,910	2,795,432	806,219	33,069,560
1817.				
Debts at 6 per cent.	26,183,895	2,222,805	378,677	28,785,377
Ditto 8 ditto	- - -	17,600	- - -	17,600
Total Debts bearing interest .	26,183,895	2,240,405	378,677	28,802,977
Debts not bearing interest . .	3,796,294	704,270	321,977	4,822,541
Total Debts in India . .	29,980,189	2,944,675	700,654	33,625,518

COMPANY.

at their several Presidencies in the East Indies, on the 30th April latest advices.

	BENGAL. — a' 2s. the Ct. Re.	MADRAS. — a' 8s. the Pagoda.	BOMBAY. — a' 2s. 2d. the Bombay R.	Total.
1818.	£.	£.	£.	£.
Debts at 6 per cent.	26,500,134	2,314,466	404,806	29,219,406
Ditto 8 ditto	- - -	17,600	- - -	17,600
Ditto 9 ditto	- - -	- - -	161,932	161,932
Total debts bearing interest .	26,500,134	2,332,066	566,738	29,398,938
Debts not bearing interest . .	3,990,992	851,792	373,997	5,216,781
Total Debts in India . . .	30,491,126	3,183,858	940,735	34,615,719
1819.				
Debts at 6 per cent.	28,130,161	2,419,439	401,516	30,951,136
Ditto 8 ditto	20,172	17,600	- - -	37,772
Ditto 9 ditto	- - -	- - -	56,700	56,700
Total debts bearing interest .	28,150,333	2,437,039	458,216	31,045,608
Debts not bearing interest . .	4,632,266	1,120,334	508,179	6,261,299
Total Debts in India . . .	32,782,639	3,557,373	966,395	37,306,907
1820.				
Debts at 5 per cent	716,033	- - -	- - -	716,033
Ditto 6 ditto	29,896,909	2,723,354	423,322	33,048,855
Ditto 8 ditto	- - -	17,600	- - -	17,600
Ditto 9 ditto	- - -	- - -	180	180
Total Debts bearing interest .	30,612,842	2,741,454	423,502	33,782,798
Debts not bearing interest . .	4,346,638	1,120,007	484,871	5,961,516
Total Debts in India . . .	34,959,480	3,871,461	913,378	39,744,314

	BENGAL, 31st Jan. 1821.	MADRAS, 30 April, 1821.	BOMBAY, 30 April, 1821.	Total.
1821.	£.	£.	£.	£.
Debts at 4 per cent.	- - -	- - -	60,700	60,700
Ditto 6 ditto	29,943,312	2,941,971	429,586	33,314,869
Ditto 8 ditto	- - -	17,600	- - -	17,600
Total Debts bearing interest .	29,943,312	2,959,571	490,286	33,393,169
Debts not bearing interest . .	3,769,384	1,326,523	610,775	5,606,682
Total Debts in India . . .	33,712,696	4,286,094	1,101,061	38,999,851

APPENDIX.

INSTRUCTIONS for the Purchase of FOREIGN STOCK in London, as connected with the Rates of Exchange.

FRENCH STOCK.

Purchasers of French 5 per Cent. Stock receive a certificate of inscription in the great Book, specifying the christian and surname of the holders, as well as the amount of *rente* or annuity to which they thereby become entitled, which are payable half yearly, viz. on the 22d of March, and the 22d of September, at Paris. There are no inscriptions for a less amount than 50 francs annuity, or 1000 fr. capital; but they may be obtained for any amount above that sum. It is usual in French Stock to mention the amount of annuity or *rente*, instead of the amount of capital stock.

The following is an account of the purchase of an Annuity of 1000 francs, at 92½,—Exchange 25 francs, 40 centimes per £ sterling.

1000 francs rentes, being interest upon a capital of 20,000 fr.

at 92½ per cent. fr. 18,500

at 25 40 £726 6 11

Rule.—Multiply the Annuity by 20 to find the amount of capital, which must then be multiplied by the price and divided by 100; or multiply the amount of annuity at once by the price and divide by 5.

In purchasing French Stock in England, it is necessary to be acquainted with the rates of Exchange between the two countries. An English sovereign is intrinsically worth in French money, 25 francs and about 22 centimes (or hundredth parts); but Bills upon Paris may often be procured upon more favorable terms; that is, that more francs and centimes will be obtained for a pound sterling than by sending over sovereigns, owing to the great number of Bills upon France frequently offered for sale. It is therefore necessary in buying French Stock to stipulate for as high a rate of Exchange as possible, since the more French money can be obtained for a fixed amount of English money, the less sterling there will be to pay in France, and of course the cheaper will the stock be—about 6¼ centimes on the rate of Exchange is equivalent to one-eighth per cent. in the price.

It is necessary to transmit powers of attorney to Paris for the sale, transfer, and receiving the dividends on French Stock, in doing which parties are of

course subject to the fluctuations in the rate of Exchange: and as in buying French Stock it is expedient to stipulate for a high rate, so in selling or receiving the dividends it is most advantageous to have a low exchange, as in that case more English money is obtained for the same amount of French money.

Commercial houses have in some instances united for the purpose of purchasing French Stock placed in the great Book of the national debt in their joint names, upon the security of which they have issued transferable certificates of inscription, without producing which the original stock cannot be disposed of: by this means the trouble and expense of making transfers at Paris is avoided; the security is equally good: the dividends receivable at Paris and the certificate becomes a valuable document. This is what under the head of transferable the stock at page 13, is understood by inscriptions deposited for securities of certificates inspected.

Inscriptions on the great Book of the French National Debt cannot be attached; may be freely disposed of by testamentary dispositions; and property in the French funds of parties dying intestate, is subject to the same laws as may be in force in the country of which the deceased was an inhabitant.

RUSSIAN STOCK.

There are three descriptions of Russian Stock.

1. The Six per Cents, called Inscriptions, on which the interest is paid in Government Bank notes. Certificates of inscription are delivered to purchasers, of which a translation will be found at p 124 of the Documents. They are transferable to bearer, and the interests are payable half-yearly in St. Petersburg, viz. on the 1st of January and July (Old Style).

The rate of Exchange on Russia having been for some time past at or under ten-pence per paper Rouble, every $\frac{1}{2}$ upon which is equivalent to $\frac{1}{4}$ upon the price of the stock, it has been found expedient to adopt a fixed price for the latter, namely, 82 per cent. and to make the rate of Exchange alone subject to fluctuations; but in adopting so low a price for a 6 per cent. Stock, it has been found necessary to alter considerably the value of the paper Rouble, which instead of 10d varies in purchases of this description of stock from 11½d to 12½d, being a difference of about twenty per cent. against the purchaser, and thus making the price of 82 near 100 per cent.

The following is an account of purchase of Russian 6 per Cent. Inscriptions.

10,000 Roubles capital at 82 per Cent. Roubles 8200

Conventional Exchange 12d per Rouble £410

The above capital at 6 per cent. pays an annuity of Roubles 600, which at the real Exchange of 10d per Rouble is equivalent to £25 per annum.

In order to ascertain the actual price of this description of stock at the above rates, it is necessary to make the following rule of three.

10d the real Exchange : 12 the conventional ditto :: 82 the conventional is to X the real price :

hence 12.

multiplied by 82

is 9.84. which divided by 10 gives 98½ per cent.

It is necessary that in purchases of this description of stock attention be paid in fixing the conventional rate of Exchanges, to the real rate between the

two countries : contrary to the rule given with regard to the French stock, the lower the rate of Exchange is fixed, it being computed in our money, the less amount of British currency the stock will cost :— $\frac{1}{4}$ on the rate of Exchange, that is upon 12d, is equivalent to rather more than $\frac{1}{4}$ per cent. upon the stock.

2. The 5 per cent. Metallic Stock of 1820, was created in consequence of the Loan contracted for by Messrs. Baring Brothers & Co. and Hope & Co. (see p. 27), so called because the interest is paid in silver Roubles. In purchasing of this stock in England, the exchange is fixed at 3s 1d per silver Rouble, which is somewhat above its actual value. Example :

10,000 Roubles 5 per cent. Metallic Stock at 79 Rs. 7900

at 3s 1d per £1217 18 4

Owing to the fluctuations in the value of the paper Rouble, its price compared with silver is constantly varying in Russia, but as the rate of Exchange is computed in the former, it follows that Metallic stock is not affected by the Exchange, the dividends being paid in silver, the value of which always bears a certain proportion to the paper money, and has fluctuated latterly between 370 and 380 paper for 100 silver : hence it follows that the interest on 10,000 Roubles 5 per cent. Metallics, being 500 silver Roubles, which supposing the price of silver in Russia, at 370 bank notes for 100 silver gives 1850 paper Roubles, which if the Exchange upon London be 10d, makes an annual interest of £77 1s 8d, or at the above price about $6\frac{1}{4}$ per cent.

The Dividends on the above descriptions of Russian stock are payable at St. Petersburg, and it is necessary to send out a power of attorney there as stated at p. 120 of the documents, to receive them ; these dividends are payable on the 1st of January and July of each year. The exportation of specie is prohibited in Russia.

The third description of Russian stock, arising from the loan of £3,500,000 sterling, being in British money and payable here, purchases are made by paying as many pounds sterling per cent. as the price may indicate. The interest is payable on the 30th of March and September, and it is subject to the same principle of redemption as all the other Russian funded debts, full particulars of which will be found in the regulations of the Sinking Fund committee, which are given at full length at p. 107 and sequel of the Documents.—The interest of this stock may also be received at St. Petersburg. The bonds are of 111 $\frac{1}{2}$ or 720 roubles ; 148 $\frac{1}{2}$ or 968 r. ; 518 $\frac{1}{2}$ or 3360 ; and 1036 $\frac{1}{2}$ or 6720 roubles.

SPANISH STOCK.

Of this, three descriptions have been brought into the London market.

1. The Bonds of 100 Dollars each negotiated at Paris in 1820, as detailed at p. 119 of our text. In purchases of which, the Exchange has been fixed at 4s 3d per dollar, thus at the price of 64 per cent.—10,000 dollars make 6400 dollars, which at the above rate of 4s 3d is £1360. This rate being rather above the value of a Spanish dollar, the annual interest will not amount to quite 5 per cent. upon the nominal capital of the stock. The rate of Exchange upon Spain is about 37d for a dollar of exchange, 85 of which being equal to 64 hard dollars, it follows that the dollar is not intrinsically worth more than 4s 1 $\frac{1}{4}$ d, but as the rate of Exchange is subject to fluctuations, the following rule may be observed to ascertain its value.

Multiply the rate of Exchange by 85, and divide the product by 64.

The exportation of specie is prohibited in Spain or subject to heavy duties.

2. The next description of Spanish stock in this market, viz. the Bonds, arising out of the loan of 1821, for which see particulars at p. 120 of our text, being in sterling money requires no further explanation, not being subject to any fluctuations in the rate of Exchange.

3. Some of the Bonds arising out of a loan contracted in Holland for Spanish account, by Messrs. Hope & Co. of Amsterdam, have been brought to this country; the Bonds are of f. 1000 nominal capital each (about £82) and bear interest at the rate of $5\frac{1}{2}$ per cent. per annum, payable on the 1st of January of each year. There are several arrears of interest unpaid on this stock, but the dividend warrants over due are taken in payment in the purchase of national domains. According to the original terms, these Bonds should have been paid off at par in 1819 last; they are now to be funded with the other part of the Spanish debt, and a new set of Dividend warrants has been delivered to the holders at the above-named rate of interest, payable at Amsterdam. In purchases of this stock in this country, the rate of Exchange is generally fixed at 12 florins per £ sterling, which being rather below the average rate for some time back, is against the purchaser. Example.

fl. 10,000 Dutch Spanish $5\frac{1}{2}$ per cent. Stock, at 65 . . . is fl. 6500

which at the rate of 12 fl. per lst. . . . is £541 13 4

whereas at a higher rate of Exchange the same quantity of Dutch money would cost less British currency; every stuyver (of which there are 20 in a florin) makes about $\frac{1}{12}$, or near one half per cent. on the rate of Exchange.

AUSTRIAN STOCK.

The bonds being in Austrian money and the dividends payable at Vienna, it has also been found necessary to stipulate a fixed rate of Exchange for the purchases of stock, and 10 florins 4 kreutzer (of which sixty is a florin) has been adopted, being about the average rate upon Vienna; hence

fl. 10,000 5 per cent. Austrian metallic stock, (the only description which has been introduced in this country) the dividends being payable in specie at 78

fl. 7,800

which, at fl. 10 4 per £ sterling—is £774 16 8

Rule.—Multiply the stock by the price per cent. and divide by the rate of Exchange.

The dividends are payable at Vienna every six months, on producing the dividend warrants, but the bonds having been issued at different times; there are no stated periods for paying them.

NEAPOLITAN 5 per Cent. STOCK.

Most of the Stock in this market consists of certificates of 25 ducats rentes, representing a similar amount of inscription standing in the Neapolitan Great Book, in the names of Jean Louis Falconnet, Charles Louis Roulet, Achille Meuricoffre, Jean Sorvillo, J. B. Bourguignon & Charles Bonnet; duly certified by the Director of the Great Book, and having half-yearly dividend warrants, signed by the above parties, at whose office they are made payable. Holders being at liberty at any time to have the amount of stock transferred in their own names.

These certificates having been originally intended for the French market, were made out at the par rate of Exchange between Paris and Naples, viz. 4 francs 40 centimes per Neapolitan ducat; but since they have been introduced into this country, it has been found necessary to fix an exchange between Paris and London, which has in conformity been determined at the rate of 25 francs 65 centimes per £ sterling, and is, according to the late average rate, and the par of exchange between the two countries, in favour of the purchaser: hence the reduction of Neapolitan stock into sterling money becomes rather a complicated operation, as appears by the following rule:

25 ducats rentes or 500 ducats capital at 74 per cent. ducats 370.

which reduced into francs at the fixed rate of 4 f. 40 c.

per ducat, gives fr. 1628

those at the rate of 25 fr. 65 c. per £ sterling are

equivalent to £63 9 5

Rule.—Multiply the amount of capital stock, that is, twenty times the amount of *Rentes* or annuity, by the price per cent.—multiply the product by 4 fr. 40 cents. and divide by the fixed exchange of 25 fr. 65.

The dividend warrants of the stock negotiated by Mr. Rothschild, and which have his stamp affixed upon them, are paid at his counting house on the 1st of July and January of every year, deducting a commission for same; (those not stamped must be sent to Naples), the ducat is worth about 3s 6d. The rate of exchange is computed in pence sterling per ducat. It is here only necessary to multiply the number of ducats of the rentes by the exchange, to ascertain their value in British money, when the operation takes place between London and Naples direct.

AMERICAN STOCK.

Every purchaser of American stock receives a certificate, declaring that the United States are indebted to him or his assigns, the amount therein specified, and the assignment of these certificates constitutes the mode of transfer in these funds. The holders may at any time have them registered in their names in the treasury book at Washington, or at the loan office of any particular State, and receive new certificates in their own name, for which purpose a power of attorney must be made out by a notary public.

American stock is negotiated in London at a fixed exchange of 4s 6d per dollar, hence a certificate

of 6000 dollars at 72 per cent. is 4320 dollars, which at 4s 6d

per dollar, is £972 0 0

The exchange in the United States is generally computed in pounds sterling, reducing the dollar to British currency at 4s 6d.; so that of course when the value of a dollar is under that price, it will take more dollars to purchase one pound sterling; then the exchange on London will be at a proportionate premium, that is, it will require more dollars at 4s per dollar, than at 4s 6d, to purchase a pound sterling upon England.

The dividends on American stock are paid every three months, and it is necessary in order to receive them, to send out a power of attorney for that purpose.

America Bank shares are sold in England at a certain price in sterling money per share of 100 dollars.

DANISH BONDS IN MARCS BANCO.

For the convenience of the Hamburg and Continental markets generally, part of the Danish loan contracted in this country was negotiated in marks banco, namely, 5000 bonds of 1400 marks each, 2500 bonds of 2800 marks each, the purchases of which are made at the rate of 14 marks per £ sterling : thus

One bond of 1400 marks, or £100 at $83\frac{1}{2}$, is £83 10.

The dividend warrants are paid at the rate of 10 ounces 4 dwts. $22\frac{1}{4}$ grains per warrant of 35 marks, and 20 ounces 9 dwts. $21\frac{1}{4}$ per warrant of 70 marks banco, so that the sterling amount varies with the price of silver, yet is never to be under £2 10s. for those of 35 marks, and £5 for those of 70, which is calculated at the rate of $58\frac{1}{2}$ d. sterling per ounce standard; every halfpenny advance in the price of silver occasions an increase of 5d in each warrant of 35 marks, and of 10d in those of 70.

The above are the only descriptions of foreign stocks, which being in foreign money require any explanation as to the mode of transacting business in them; to calculate the others it is only necessary to multiply the amount of stock by the price, and divide by one hundred, in the same way as purchases are made in the British funds.

It remains to give a short account of the manner of doing business in Foreign funds abroad, chiefly at Paris and in Holland.

AT PARIS.

Example for purchase of

1000 francs rentes, or 20,000 at 90 fr. 18,000.

10,000 dollars Spanish stock at 64 per cent. 6400.

which at the fixed exchange of 5 fr. 40 cent. per dollar is fr. 34,560.

The fixed exchange of 5 fr. 40 at Paris, and 4s 3d in London per Spanish dollar gives an exchange between London and Paris of 25 fr. $41\frac{1}{4}$ centimes; hence every $6\frac{1}{4}$ centimes is equivalent to $\frac{1}{4}$ per cent in the price, and the lower the Paris exchange the higher the proportionate prices between the two countries, and vice versa.

25 ducats rentes, Neapolitan rentes, or 500 ducats capital, at 74 fr. ... d. 370

which at the fixed rate of 4.40 is fr. 1628.

N.B. The difference of the real exchange between London and Paris, and the conventional one of 25,65, according to which this stock is sold in England, constitutes the difference between the London and Paris prices; thus every $25\frac{1}{4}$ centime makes a difference of 1 per cent., 74 per cent. therefore in Paris, when the exchange on London is $25\ 39\frac{1}{2}$, is equivalent to the London price of 75, and by the same rule when the exchange is $25\ 90\frac{1}{2}$ is equal to 73 in London.

AMSTERDAM, ANTWERP, & HOLLAND GENERALLY.

In Holland and most other parts of the continent, the current interest is paid by the purchaser of stock, exclusive of the price, as will appear in the following example.

10,000 dollars Spanish stock of 1820, purchased 1st July,			
at 64	dollars	6,400	
Fixed exchange $2\frac{1}{2}$ florins or 50 stivers per dollar.....	fl.	16,000	0 0
Interest from 1st May to 1st July on fl. 25,000 per cent.		208	6 10
			16,208 6 10

$2\frac{1}{2}$ florins and 4s 3d per dollar gives a proportionate exchange between Holland and England of 11fl. $15\frac{1}{2}$ st. per £ sterling; hence on the 1st of May and 1st of November, exchange 11fl. $15\frac{1}{2}$ st., 64 per cent. in London is equal to 64 per cent. Amsterdam, and every rise of exchange between the two countries should occasion a proportionate fall in the prices.

Prussia bonds being in sterling money are reduced into Dutch currency at the fixed rate of 11 fl. per £. sterling; hence £1000 Prussian bonds bought at Amsterdam 1st July at 96 are

£1000 at 11 fl. per £ stlg.	11,000 at 96 per cent.	fl	10,560
3 months interest at 5 per cent. on 11,000 fl.	.....		137 10
			10,697 10

Rule.—In order to ascertain the relative price between England and Holland, multiply the Dutch price by 11, and divide by the real rate of exchange, deducting the interest accrued.

Neapolitan stock.

25 ducats rentes, or 500 capital at the fixed exchange of			
10 st. per lire, or 44 st. per ducat, is fl. 1100, which			
bought 1st August, at 65 per cent	fl.	715	0 0
Add 1 month's interest on fl. 1100		4	11 11
			719 11 11

There is no fixed rule for comparing the Dutch and English prices of Neapolitan stock owing to the circuitous mode adopted here of reducing the ducats into francs.

Austrian Metallic stock is sold at the fixed Exchange of 125 Dutch florins for 100 Vienna ditto.

Russian paper inscriptions are sold in Holland at the rate of one florin per bank note rouble.

Ditto *metallics* at two florins per silver rouble.

For the purchase of Dutch stock it is only necessary to multiply the capital of the stock by the price.

Holders of tickets, *Kans Billieten*, which may have been drawn for the conversion of deferred stock against present interest bearing stock, must purchase the necessary amount of the former, should they not hold any, in order to be entitled to the transfer.

APPENDIX.

FRANCFORT.

Account of purchase of *Prussian Stock* in £ sterling, purchased 28th July,
 £3750 Prussian bonds at fl. 11 per £ sterling, in 24 *Gulden fuss*,*

equal to 138 Batsen exchange money, at 88 per cent. fl. 36,300 0
 Interest from 1st April to 28th July, on fl. 41,250
 3 months 27 days at 5 per cent. 670 18

36970 18

at fl. 11 fl. 9½ Rix. dollars 20613 67

Account of purchase of *Austrian metallic stock*.

fl. 1500 *Conventions Muntze* 5 per cent. metallics at 71½ per cent. 1066 52½
 120 in 24 *Gulden fuss* fl. 1280 15
 adding interest if any.

AT BERLIN.

Prussian Bonds of the English loan are sold at the fixed Exchange of 6 Rix
 dollars 20 G. Grosschen per £ sterling.

* Of this currency 16 Rix dollars go to the Cologne mark of fine silver.